

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF BUSINESS REGULATION
DIVISION OF COMMERCIAL LICENSING
1511 PONTIAC AVENUE, BLDG. 69-1
CRANSTON, RHODE ISLAND 02920**

**NOTICE OF PROPOSED AMENDMENTS
TO REGULATION AND NOTICE OF PUBLIC HEARING**

In accordance with R.I. Gen. Laws §§ 5-20.7-25, 42-14-17, and 42-35-3, notice is hereby given that the Director of the Department of Business Regulation (“Department”) proposes to amend the following permanent regulation:

**COMMERCIAL LICENSING REGULATION 11 – REAL ESTATE BROKERS
AND SALESPERSONS**

The purposes of the amendments are to align the Department of Business Regulation’s *Commercial Licensing Regulation 11 – Real Estate Brokers and Salespersons* with changes to Title 5, Chapter 20.6 and update existing rules and procedures for the licensure of real estate brokers and salespersons. The actions and information required by this regulation are hereby declared to be necessary and appropriate to the public interest.

Notice is also hereby given, in accordance with R.I. Gen. Laws § 42-35-2, the Department of Business Regulation will hold a public hearing beginning at **10:00 a.m. on May 5, 2009**, at the Department of Business Regulation, 1511 Pontiac Avenue, Bldgs. 68-69 (Pastore Complex), Cranston, Rhode Island 02920, regarding the proposed amendments to the regulation.

Copies of the proposed amendments to the regulation are on file at the Department and copies may be obtained from the Legal Division, Department of Business Regulation, 1511 Pontiac Avenue, Bldg. 68-1, Cranston, Rhode Island 02920, during normal working hours on regular business days or by mail upon request. The proposed amendments to the regulation may also be obtained from the Department’s website www.dbr.state.ri.us.

In the development of the proposed amendments to the regulation, consideration was given to overlapping approaches, overlap and duplication with other statutory and regulatory provisions, and economic impact on small business and cities and towns.

All interested persons may submit their view, data or arguments regarding the proposed amendments to the regulation, including information relating to alternative approaches, duplication or overlap with other state rules or regulations and the economic impact of the regulation on small business and/or cities and towns, orally at the public hearing or in writing, either by delivering the same in person or United States mail with postage pre-paid thereon to the Department of Business Regulation, 1511 Pontiac Avenue, Bldg. 68-1, Cranston, Rhode Island 02920, to: Neena Sinha Savage, Esq., Hearing Officer.

ALL WRITTEN SUBMISSION MUST BE RECEIVED
NO LATER THAN MAY 5, 2009 AT 10:00 A.M.

The hearing room is accessible to the handicapped. Individuals requesting interpreter services for the hearing impaired must notify the Office of Legal Counsel at (401) 462-9556 or TTY 711 not less than ninety-six (96) hours in advance of the hearing date.

A. Michael Marques
Director
Department of Business Regulation

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**SUMMARY OF NON-TECHNICAL AMENDMENTS FOR
COMMERCIAL LICENSING REGULATION 11 – REAL ESTATE BROKERS
AND SALESPERSONS**

I.

Given the comprehensive revision of this regulation, the summary is divided into three parts. Part I is this introduction and explanatory note. Part II is set up to reflect the revised format of the proposed amended regulation. The word “Section” replaces the word “Rule” to provide consistency with other regulations promulgated by the Department as well as to add clarity to this regulation. The new section is then briefly described with the substantive changes made or identified as a new rule. Part III presents the revisions made by using the format of the current regulation. With each rule there is an explanation of where it can be found under the proposed regulation. Mention is also made if the rule was eliminated.

II.

Section 1: This is a revised section that amalgamates the prior Section 1 on the authority to promulgate this regulation and the former Section 2 that describes the regulation’s purpose.

Section 2: This section now contains the definitions previously contained in Section 3. Certain definitions were added, updated, or eliminated for clarity purposes, ease of use, and alignment with the revisions made to this regulation and the recently amended Title 5, Chapter 20.6 of the Rhode Island General Laws.

Section 3: This section formerly contained the definitions that are now found in Section 2. This new section now clarifies a licensee’s responsibility to provide contact information to the Department timely whenever it changes.

Section 4: This section formerly contained the rule regarding severability, which is now located in Section 32. This section now clarifies that role and responsibilities of the principal broker.

Section 5: This section formerly contained the effective date information regarding this regulation. It now clarifies the role of a licensed salesperson.

Section 6: This section is a revised version of the former Rule 3 regarding examinations.

Section 7: This is a new section that clarifies the education requirements found in R.I. Gen. Laws § 5-20.5-4.

Section 8: This section houses the former Rule 17 on fees and also includes new language regarding checks written on accounts with insufficient funds.

Section 9: This section is a revised version of the former Rule 32 regarding license terms and clarifies the licensee's responsibilities regarding the renewal of his or her license.

Section 10: This section bifurcates and revises the former Rule 23 regarding the transfer of licenses when a licensee affiliates with a new brokerage.

Section 11: This section provides the portion of former Rule 23 regarding the dissolution of brokerages.

Section 12: This section emphasizes the applicability of Title 5, Chapter 20.5 to certain property management companies.

Section 13: This section is a new provision that requires that licensees provide the Department with notice whenever he or she is convicted of a crime or is formally disciplined by another government entity with respect to another occupational license.

Section 14: This section is the former Rule 21 regarding the prohibition of discriminatory practices in real estate transactions. It has been revised to align with the definition of protected classes found under Title 34, Chapter 37 of the Rhode Island General Laws.

Section 15: This is a new section that makes obvious the concept that an individual with an expired, suspended, or revoked license cannot engage in licensed activity. It also makes clear that a licensee cannot falsify the renewal application regarding the satisfaction of the continuing education requirement.

Section 16: This section is the former Rule 30 regarding the conduct of cases and is revised to better explain the contested case process found in the Department's *Central Management Regulation 2 – Rules of Procedure for Administrative Hearings*.

Section 17: This section clarifies the former Rule 5 for the restoration of licenses.

Section 18: This section is a revision of the former Rule 6 regarding the commingling of client funds and parts of the former Rule 7 regarding escrow accounts.

Section 19: This section revises the portion of former Rule 7 regarding the release of deposits held by licensees.

Section 20: This section is an amalgamation and revision of the former Rule 10 regarding records and the former Rule 11 regarding the inspection of records.

Section 21: This section is the former Rule 8 regarding commissions and contains authorization for licensees to own their own limited liability companies and closely-held corporations for the purpose of receiving commissions from their affiliated principal brokers. It also provides rules regarding the need for transparency in a real estate transaction when a licensee is acting in a capacity other than as a representative for an unrelated third party.

Section 22: This section is the former Rule 20 regarding the general obligations of licensees and is revised to reflect the changes recently made to Title 5, Chapter 20.6 of the Rhode Island General Laws.

Section 23: This section is the former Rule 9 regarding advance fees and remains substantively unchanged.

Section 24: This section is the former Rule 12 regarding the prohibition of lending one's name as a principal broker for another person in an attempt to circumvent statutory requirements and remains substantively unchanged.

Section 25: This section is the former Rule 13 regarding advertising and contains minor revisions for clarification purposes.

Section 26: This section is the former Rule 14 regarding certain agreements in real estate transactions and contains minor revisions for clarification purposes.

Section 27: This section is the former Rule 26 regarding the requirement of a license under Title 5, Chapter 20.7 of the Rhode Island General Laws to perform appraisals and contains minor revisions for clarification purposes.

Section 28: This section is a substantial revision of the former Rule 33 and provides new rules regarding errors and omission insurance.

Section 29: This new section combines the rules found in the former Rule 29 regarding real estate schools and instructors with long-time departmental policy regarding the approval of such schools and instructors.

Section 30: This section is the former Rule 29 regarding continuing education and provides for additional hours to satisfy the continuing education requirements.

Section 31: This section is the former Rule 31 regarding subsequent changes in the statutory authority for real estate licensure and remains substantively unchanged.

Section 32: This is a new section that contains the rule on severability formerly found in Section 4. The rule remains unchanged.

Section 33: This is a new section that contains the effective date of the regulation formerly found in Section 5.

III.

Several rules have been changed or eliminated. Provided below is a list of the former rules found in this regulation that will explain where the old rule can be found above or if it was eliminated.

Rule 1: This rule regarding disciplinary action was eliminated as it reiterates R.I. Gen. Laws § 5-20.5-14(a)(15).

Rule 2: Certain parts of this rule regarding agencies have been rendered obsolete by the recently revised Title 5, Chapter 20.6 and the long-standing policy of the Department to license solely individuals. The section of rule regarding the responsibilities of principal brokers is now found under Section 4.

Rule 3: This rule regarding examinations is now found under Section 6.

Rule 4: This rule regarding re-examination is also found under Section 6.

Rule 5: This rule regarding license restoration contingent upon re-examination is also Section 6.

Rule 6: This rule regarding the commingling of funds is now found under Section 18.

Rule 7: Section 19 now houses this rule regarding obligations in accepting funds or deposits.

Rule 8: This rule regarding commissions is now found under Section 21.

Rule 9: This rule regarding advance fees is now found under Section 23.

Rule 10: Section 20 now contains this rule regarding records.

Rule 11: This rule regarding the inspection of records also found under Section 20.

Rule 12: This rule prohibiting the lending of one's name is found under Section 24.

Rule 13: Section 25 now contains this rule regarding advertising.

Rule 14: This rule regarding agreements is no found in Section 26.

Rule 15: This rule regarding offices has been eliminated because there have been no complaints filed in several years regarding offices and other existing rules cover this rule.

Rule 16: Similar to Rule 15 above, this rule regarding branch offices have been eliminated.

Rule 17: This rule regarding fees is now found under Section 8.

Rule 18: This rule regarding license sponsors has been eliminated given the requirements that already exist in R.I. Gen. Laws § 5-20.5-3(c).

Rule 19: This rule regarding dual activity as an insurance licensee is now found in Section 4.

Rule 20: Section 22 now houses this rule.

Rule 21: This rule regarding discriminatory practices is now found in Section 14.

Rule 22: This rule on the delegation of authority has been eliminated.

Rule 23: This rule is now found in Sections 10 and 11.

Rule 24: The temporary licenses rule has been eliminated.

Rule 25: This rule regarding rental referrals has been eliminated.

Rule 26: This rule prohibiting appraisals unless licensed is now found in Section 27.

Rule 27: This rule regarding the obligations of licensees in soliciting listings has been eliminated as it is covered under Title 5, Chapter 20.5.

Rule 28: This rule regarding the lead mitigation continuing education course has been eliminated as it is covered in R.I. Gen. Laws § 5-20.5-6(c).

Rule 29: This rule regarding continuing education is now found under Section 30 and contains additional hours required for renewal of a license.

Rule 30: This rule regarding the conduct of cases is now found in Section 16.

Rule 31: This rule regarding subsequent changes in the law pertaining to real estate licensure remains unchanged.

Rule 32: The rule regarding license terms is now found under Section 9.

Rule 33: Errors and omission insurance rule is now found under Section 28.

Rule 34: This rule regarding the agency law course has been eliminated.

The actions and information required by this regulation are hereby declared to be necessary and appropriate to the public interest.

A. Michael Marques, Director
Department of Business Regulation

Filed Date: March 30, 2009
SOS Ref. No.

~~State of Rhode Island and Providence Plantations~~
~~DEPARTMENT OF BUSINESS REGULATION~~
~~Division of Commercial Licensing~~
~~233 Richmond Street~~
~~Providence, RI 02903~~

~~Commercial Licensing Regulation 11 – Real Estate Brokers and Salespersons~~

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Section 1 — Authority

This regulation is promulgated pursuant to R.I. Gen. Laws §§ 5-20.5 and R.I. Gen. Laws § 42-14-17.

Section 2 — Purpose

The purpose of this regulation is to promote the general welfare of the citizens of Rhode Island by implementation of R.I. Gen. Laws § 5-20.5-1 *et seq.* so that the provisions thereunder may be best effectuated and the public interest be most effectively served.

Section 3 — Definitions

- (A) “Act” means R.I. Gen. Laws § 5-20.5-1 *et seq.*
- (B) “Agency” means any sole proprietorship, partnership, association, trust or corporation.
- (C) “Associate Broker” means any Licensed Broker who is employed or engaged as an independent contractor by or in behalf of a Licensed Broker to do or deal in any activity as included or comprehended by the definitions of a Broker in subdivision (D) of this section, for compensation or otherwise.
- (D) “Broker” means all persons, foreign and domestic, who for a fee, commission or other valuable consideration, or who with the intention or expectation of receiving or collecting a fee, commission, or other valuable consideration, lists, sells, purchases, exchanges, rents, leases, appraises, manages, or auctions any Real Estate, or the improvements thereon including options or who negotiates or attempts to negotiate any such activity; or who advertises or holds him or herself, itself or themselves out as engaged in those activities; or who directs or assists in the procuring of a purchaser or prospect calculated or intended to result in a real estate transaction. The term shall also include any person employed by or on behalf of the owner or owners of lots, or other parcels of Real Estate, at a stated salary, or upon a fee, commission or otherwise, to sell that Real Estate, or any parts thereof, in lots or other parcels, and who shall sell, exchange or lease, or offer or attempt or agree to negotiate the sale, exchange or lease, or offer or attempt or agree to negotiate the sale, exchange or lease of any such lot or parcel of Real Estate.

- (E) ~~“Clock Hour” means a period of at least fifty (50) minutes of classroom instruction.~~
- (F) ~~“Cooperating Broker” means a Licensed Broker acting as a seller’s Broker or buyer’s Broker.~~
- (G) ~~“Department” means the Department of Business Regulation.~~
- (H) ~~“Director” means the director of the Department.~~
- (I) ~~“License” means a Salesperson or Broker license issued by the Department.~~
- (J) ~~“Licensee” means an individual or Firm who holds a Salesperson or Broker License.~~
- (K) ~~“Net Listing” means an agreement in which a prospective seller lists Real Estate for sale with an authorization to a Broker to sell at a specified net dollar return to the seller and which provides that the Broker may retain as Commission the difference between the specified dollar return to the seller and the actual sales price.~~
- (L) ~~“Office Supervisor” means the Licensed Broker on file with the Real Estate Section of the Department who is designated as the individual responsible for the management of a branch office who ensures compliance with the Act and regulations.~~
- (M) ~~“Open To The Public” means a staffed office and/or one equipped with an answering service or device which is kept open for business during the legal business hours in the city or town in which it is located.~~
- (N) ~~“Principal Broker” means the Broker designated by an agency to be responsible for the agency’s and/or any affiliated Licensees’ compliance with the Act and regulations.~~
- (O) ~~“Promptly” means not more than ten (10) calendar days.~~
- (P) ~~“Real Estate” means leaseholds as well as any and every interest or estate in land, whether corporeal or incorporeal, freehold or non-freehold, whether the property is situated in this state or elsewhere.~~
- (Q) ~~“Real Estate Commission” means the Commission created pursuant to R.I. Gen. Laws § 5-20.5-12.~~
- (R) ~~“Salesperson” means any individual employed or engaged as an independent contractor by or on behalf of a Licensed Broker to do or deal in any activity as~~

~~included or contemplated by the definitions of a Broker in subdivision (c) of this section, for compensation or otherwise.~~

- ~~(S) "Solicitation" means solicitation by telephone, mail, personal visit, materials delivered by hand or any other media.~~

~~Section 4 — Severability~~

~~If any provision of these Regulations is held invalid, such invalidity shall not affect other provisions or application of these Rules and Regulations.~~

~~RULE 1 — DISCIPLINARY ACTION~~

~~Any violation of the Act or this regulation shall be sufficient grounds for any disciplinary action permitted by statute.~~

~~RULE 2 — AGENCIES~~

~~With respect to any sole proprietorships, partnerships, associations, trusts, Limited Liability Corporations (L.L.C.) or corporations Licensed by the Department:~~

- ~~(A) the Director will hold responsible the Principal Broker designated by an Agency to be responsible for the Agency's and/or its affiliated Licensees compliance with the Act and regulation;~~
- ~~(B) every real estate transaction in which an Agency participates as a Broker shall be under the supervision of the Principal Broker;~~
- ~~(C) the Principal Broker, in addition to ascertaining that a separate account is maintained for the funds of others coming into the possession of the Licensee, shall make certain that no funds of others are disbursed or utilized without his/her express authorization and knowledge; and~~
- ~~(D) the provisions of this regulation do not apply to a Broker affiliated in the capacity of Salesperson.~~

~~RULE 3 — EXAMINATIONS~~

- ~~(A) In the conduct of examinations for Broker or Salesperson Licensees, the following examination rules shall prevail:~~
 - ~~(1) Examinees will not be permitted to refer to any notes, books or memoranda;~~
 - ~~(2) The copying of questions or making of notes is prohibited; and~~

- (3) ~~No examinee shall leave the examining room except at the discretion of the examiner.~~
- (B) ~~Examinations may be written or oral. Requests for an oral examination or time extension may be made to and granted at the discretion of the Real Estate Administrator.~~

~~RULE 4 — RE-EXAMINATION~~

~~There shall be a one (1) year time limit for reexamination with regard to failure of any section of the Broker or Salesperson examination. In the event that any section is not successfully completed within one (1) year and a passing grade received in all sections the entire examination must be retaken. If a License has expired for more than one (1) year, then the former licensee must re-apply by completing a new application and retaking the examination.~~

~~RULE 5 — LICENSE RESTORATION CONTINGENT UPON RE-EXAMINATION~~

~~In a determination rendered upon any disciplinary action, the Director may, where the nature of the offense so warrants, impose as a condition to any future License restoration, the successful accomplishment of a written examination of the same type normally given to applicants for initial Licenses.~~

~~RULE 6 — COMMINGLING OF FUNDS PROHIBITED~~

- (A) ~~No licensee shall commingle funds by:
 - (1) ~~Mingling the money or other property of the buyer(s)/seller(s) with his/her own; or~~
 - (2) ~~Failing to promptly segregate any monies or properties received which are to be held for the benefit of others.~~~~
- (B) ~~Where the nature of a given Real Estate transaction is such that the commission earned by a Broker in connection with services rendered in said transactions are included among the funds deposited in the Broker's escrow account, the portion of such which constitute the Broker's commission shall be Promptly paid from the escrow account, with appropriate annotations to the Broker's business records to define the amount and source of such commissions; provided, however, that such Broker shall have been previously authorized to make such disbursement.~~
- (C) ~~The maintenance of nominal amounts of the Principal Broker's funds in escrow accounts solely to provide continuity in such accounts or to meet bank service charges shall not be construed to be commingling. In the absence of any~~

~~agreement to the contrary, the interest on monies placed in an interest bearing escrow account shall accrue to the Broker; and~~

- ~~(D) Where any law or governmental regulation compels maintenance of a fixed amount of the funds of a Broker in an escrow account for the purpose of providing a safety factor, the maintenance of such fixed amount shall not be construed to be commingling.~~

~~RULE 7 — OBLIGATIONS IN ACCEPTING FUNDS OR DEPOSITS~~

- ~~(A) Seller Retains Deposit. If the listing agreement so states, a Licensee may permit a buyer to draft a deposit check payable to the seller.~~
- ~~(1) In the event that the deposit is retained by a seller, the Licensee shall have the obligation of informing the buyer that the seller does not have any obligation to place said deposit monies in an escrow account.~~
 - ~~(2) When the listing agreement requires the deposit be retained by the seller, the deposit check shall not be payable to anyone but the seller.~~
 - ~~(3) Except as herein provided, in no event shall any Licensee who received deposit funds payable directly to said Licensee turn said funds over to a seller.~~
- ~~(E) Forfeited Deposits. A Principal Broker may release a deposit to the seller based upon a good faith determination that the buyer has forfeited his/her rights to a return of said deposit, if the buyer has not filed a civil action for recovery of the deposit within sixty (60) days after receiving written notice by registered mail, return receipt requested of the Principal Broker's intent to release said deposit.~~
- ~~(F) Disputed Deposit. Whenever the ownership of any deposit monies received by a salesperson or broker pursuant to R.I. Gen. Laws § 5-20.5-26 is disputed by the parties to a real estate transaction, the following procedures shall apply:~~
- ~~(1) If the ownership of the deposit monies is still disputed after 180 days from the date of the original deposit, the salesperson or broker shall transmit the deposit to the general treasurer. The transmittal shall be accompanied by the attached form entitled "Escrow Deposit Transmittal Form." The transmittal of the deposit to the general treasurer shall be made promptly after the expiration of the 180 days.~~
 - ~~(2) A minimum of thirty (30) days prior to the expiration of the 180 days, the broker or salesperson shall by written letter inform the parties (e.g. the seller and buyer) of the statutory requirements regarding disputed deposits. The letter shall contain the following language:~~

~~“As there has been no resolution regarding the disbursement of the deposit which is being held pursuant to a purchase and sales agreement for real property located at _____, pursuant to R.I. Gen. Laws § 5-20.5-26, I will transmit the deposit to the general treasurer in thirty (30) days of _____ unless I receive a written release signed by both the parties regarding the disbursement of the deposit. If I do not receive such a release within thirty (30) days of _____, I will forward the deposit to the general treasurer where it will be held in trust until the dispute is mediated, arbitrated, litigated, or otherwise resolved by the parties.”~~

~~“The parties may extend the time by which the deposit must be deposited with the general treasurer by written agreement. If I do not receive a copy of any such agreement, if one exists, within thirty (30) days of _____, I will forward the deposit as required by law.”~~

- ~~(3) If the parties resolve the matter after the deposit has been forwarded to the general treasurer, the parties must provide written proof in the form of a mutual written release, mediation agreement, arbitration award, or court order to the salesperson or broker who then must promptly act to obtain the deposit by forwarding to the general treasurer the attached form entitled “Claim for Return of Property.” Upon receipt of the deposit, the broker or salesperson must promptly disburse it to the parties pursuant to the determination of ownership of the deposit in accordance with the written release, mediation agreement, arbitration award, or court order.~~
- ~~(4) If the salesperson or broker retires or dies after the deposit money has been transmitted to the general treasurer but before the issue of ownership of the deposit is resolved, said “Claim for Return of Property” shall be submitted to the general treasurer by either the successor agency, broker, or salesperson of the retired or deceased salesperson or broker. If no successor agency, broker, or salesperson exists, the parties shall complete the “Claim for Return of Property” and provide proof acceptable to the general treasurer that no successor Licensee or agency exists.~~
- ~~(5) The above procedures regarding disputed deposits shall apply to all real estate transactions entered into on and after January 1, 2002. However, any broker or salesperson may voluntarily follow the above procedures regarding disputed deposits received from real estate transactions entered into prior to January 1, 2002.~~

- (G) ~~Receipt of Deposit by Cooperating Broker. A Cooperating Broker must turn the deposit over to the listing broker upon presentation of the offer unless there is an agreement in writing between the buyer(s)/seller(s) to the contrary.~~
- (H) ~~Escrow Agents. Funds or deposits placed in escrow pursuant to this regulation may be held by any person or entity legally authorized to hold funds in that capacity.~~
- (I) ~~Escrow Accounts:~~
- (1) ~~Each Agency shall maintain an escrow account. A multi-office Agency shall maintain an escrow account for each office or one (1) central escrow account for the Agency. In the event a multi-office agency utilizes a central escrow account, the Office Supervisor in each Branch Office shall be given a monthly report as to the status of that office's escrows and shall be responsible for its accuracy.~~
- (2) ~~Funds held in escrow may be applied to the Commission when earned by the listing company.~~
- (3) ~~It is a violation of this regulation to fail to maintain and deposit within five (5) days in a special account in a Rhode Island depository institution, separate and apart from personal and other business accounts, monies received by a Principal Broker acting in said capacity or as an escrow agent, or as the temporary custodian of the funds of others in a real estate transaction;~~
- (4) ~~Remaining commissions shall be brought to the closing for disbursement by the closing officer.~~
- (H) ~~Dual activities. In all Real Estate transactions in which a Broker acts in more than one capacity, i.e. builder, contractor, insurance agent, all deposit monies received must be placed in his/her Real Estate escrow account.~~
- (I) ~~Security Deposits. Security Deposits relating to rental agreements are exempt from the provisions of this section of the regulation.~~

~~RULE 8 — COMMISSIONS~~

- (A) ~~Unless otherwise expressly provided by written agreement between the Principal Broker and an affiliated Licensee and cooperating broker and referring broker, all commissions due to a Licensee from the Principal Broker shall be subject to an accounting and payment to the affiliated Licensee and cooperating broker and referring broker no later than ten (10) calendar days from the receipt of such commission by the Principal Broker.~~

- (B) ~~Every Principal Broker must promulgate a written policy for the payment of commissions to affiliated Licensees on their termination. Such policy must prescribe the rate of commission to be paid, if any, on termination. The Principal Broker must obtain the written signature of each affiliated Licensee under such Broker as soon as such affiliation is established, indicating that such affiliated Licensee agrees to such policy which shall include, but not be limited to the following:~~
- ~~(1) Upon termination of affiliation or employment, the Principal Broker shall make a complete accounting in writing of all commissions due to Licensee;~~
 - ~~(2) In the event any commission so accounted for is not in accord with the established commission schedule, the Principal Broker shall give a complete written explanation of any difference; and~~
 - ~~(3) Such accounting shall be made within thirty (30) days after the termination of affiliation or employment of said Licensee.~~
- (C) ~~In the event the seller offers an incentive payment beyond the agreed listing fee to the procuring Licensee, the Principal Broker and the seller must have a written agreement describing the incentive payment and recognizing that if the sale is a cooperative sale, the incentive payment must be in conformity with R.I. Gen. Laws § 5-20.5-14(12) and must be distributed to the Licensee by the Principal Broker with whom he/she is affiliated.~~

~~RULE 9 — ADVANCE FEES~~

- (A) ~~Any Principal Broker who charges or collects an advance fee in excess of twenty-five dollars (\$25.00) for services to be rendered, including but not limited to, advertising costs under an advance fee agreement, shall at the time of accepting said advance fee furnish his/her buyer or seller with a list of services to be rendered.~~
- (B) ~~This section shall not apply to advance fees charged by a Principal Broker for the purpose of performing an appraisal and/or a market analysis of real property.~~

~~RULE 10 — RECORDS~~

- (A) ~~Every Principal Broker shall keep records of all funds and property of others received by him/her for not less than three (3) years from the date of receipt of any such funds or property.~~
- (B) ~~These records shall clearly indicate: the date, amount and from whom received, specifying property and reason for holding monies, date of deposit of such funds and name of depository bank, date of disbursement, amounts forwarded, together~~

with the name of the recipient, and any other pertinent information concerning the transaction.

~~RULE 11 — INSPECTION OF RECORDS~~

~~In order to reasonably effectuate the provisions of the Act and the regulation promulgated thereunder, every Principal Broker shall make available for inspection by the Director or his/her designee all records of transactions, books of account, instruments, documents and forms utilized or maintained by such Principal Broker in the conduct of the Licensed business, which may be pertinent to the conduct of the investigation of any specific complaint. All records pertaining to escrow accounts shall be made available upon demand. All other records shall be open for inspection during regular business hours.~~

~~RULE 12 — PROHIBITION AGAINST LENDING NAME~~

- ~~(B) No arrangement, direct or indirect, shall be entered into by any Licensee whereby an individual Licensee lends his/her name or License for the benefit of another person, firm or corporation, or where the provisions of the Rhode Island General Laws and any regulations relating to licensing are circumvented.~~
- ~~(C) Any arrangement whereby a Broker's License is sought in the name of a Licensee supposed to be affiliated with the Principal Broker or is sought in the name of a firm or corporation containing the name of the affiliated Licensee but not containing the name of the Principal Broker responsible for the acts of such firm or corporation shall be construed as seeking to lend a Broker's License for the benefit of another individual, firm or corporation.~~

~~RULE 13 — ADVERTISING~~

- ~~(A) Unless otherwise set forth herein, categories of advertising include but are not limited to any publication, any radio or television broadcasts, business stationary, business cards, business and legal forms or documents.~~
- ~~(B) All advertising of any Licensed individual, partnership, firm, or corporation of its activities as a Licensee of the Real Estate Section of the Department shall include the name under which that individual, partnership, firm or corporation is Licensed to do business as a Broker.~~
- ~~(C) When the name of a Salesperson or Broker acting in the capacity of a Salesperson is contained in any advertising, except on business cards, it shall be in print smaller and less conspicuous than that of corporation, partnership, firm or association which shall also appear. The business card of any Salesperson shall clearly indicate that his/her License is as a Salesperson or an Associate Broker.~~

- (D) ~~Any advertisement which refers to amounts of down payment, monthly payment carrying charges or which indicates that a mortgage is obtainable (where the mortgage referred to is not already a lien against the premises advertised), shall contain the words “to a qualified buyer.”~~
- (E) ~~Any advertisement which sets forth amounts of down payment, monthly payment, carrying charges, taxes or mortgage money obtainable shall contain appropriate qualifying words such as “approximate” or “estimated”, which qualifying words shall be clearly associated with the amounts set forth. If such amounts are mentioned without qualification, the Licensee shall maintain written proof of the validity of such statements in his/her files. Such written proof shall be maintained for a period of three (3) years from the date upon which an advertisement containing such unqualified references shall have last appeared in any publication.~~
- (F) ~~With the exception of magazine or newspaper advertisements published under municipality headings, any advertisement for the sale, exchange or rental of residential real property placed by a Licensee, or any interest therein, shall designate the geographical area containing that property.~~
- (G) ~~No licensed individual, partnership, firm or corporation shall advertise or use any form of application or make any inquiry which expresses directly or indirectly any limitation, specification or discrimination as to race, color, religion, creed, sex, sexual orientation, marital status, disability, age, national origin or ancestry.~~
- (H) ~~Any use of an insignia, emblem, logo, trade name or other form of identification in any advertising or other public utterance, either by a single Licensee or group of Licensees, which suggests or otherwise implies common ownership or common management among such Licensees, shall be prohibited except in the case of branch offices controlled by a Principal Broker and duly Licensed as branch office. Nothing herein provided is intended to preclude or inhibit the use, advertising or display of any insignia, emblem, logo or trade name of any bona fide trade association by any Licensee provided that such Licensee is a member of such trade association.~~
- (J) ~~Any franchised Licensee using in any advertising the trade name of a franchisor shall include in such advertising in a manner reasonably calculated to attract the attention of the public the franchised Principal Broker’s operating name under which the individual, firm or corporation is Licensed to do business. Any Licensee including the franchisee using the trade name of a franchisor in any advertising shall also include in a manner reasonably calculated to attract the attention of the public the following legend or a substantially similar legend, “Each office independently owned and operated”, except for the following categories of advertising:~~
- (1) ~~“For Sale” signs located on the premises of specific properties for sale; and~~

- (2) ~~Small “spot” classified advertising by a single franchised Licensee in newspapers, magazines or other publications of specific properties for sale.~~
- (J) ~~Any advertising by any Licensee referring generally to membership in any real estate multiple listing service operation shall specify the complete name of the listing service in which membership is held, except in the following categories of advertising:~~
 - (1) ~~“For Sale” signs located on the premises of specific properties for sale;~~
 - (2) ~~Small “spot” classified advertising by a single Licensee;~~
 - (3) ~~Business cards; and~~
 - (4) ~~Business signs.~~
- (K) ~~Any advertising which contains an offer for a home warranty contract shall specify the essential terms of the home warranty contract offer and shall also indicate whether the warranty offer is mandatory. Essential home warranty terms are limited to components/structure in an inspection warranty and to components only in the case of a non inspection warranty. Advertising shall comply with all Federal and State warranty legislation including the Magnuson-Moss Warranty Act, P.L. 93-63, 15 U.S.C. Section 2301 *et seq.*~~
- (L) ~~A Licensee may not advertise or distribute promotional material offering rebates or discounts including, but not limited to, discount plans or coupons redeemable for the discounted purchase of goods or services, if such advertisement or promotional material creates a likelihood of confusion or misunderstanding or is false, deceptive or misleading to the average customer. Every advertisement or piece of promotional material shall clearly and completely disclose to the consumer all material terms and conditions of the offering.~~
- (M) ~~All Licensees shall adhere to truth in lending requirements and shall not participate in paying of seller’s costs or any payments to reduce interest costs.~~

~~RULE 14 — AGREEMENTS~~

- (A) ~~Any Licensee shall Promptly deliver to all parties to any agreement of sale, lease, option or any other instrument or any amendment to any agreement of other instrument affecting an interest in real property, a duplicate original of any such executed agreement, instrument or amended agreement shall be initialed by all parties to the transaction.~~

- (B) ~~No listing agreement or contract for the sale of real property, or any interest therein, shall contain a pre printed fee, Commission rate or Commission amount.~~
- (C) ~~Upon request, the Principal Broker shall advise the seller of the rate or amount of any Commission split or distribution.~~
- (D) ~~All listing agreements of any Licensee which provides for the listing of property with any real estate multiple listing service operation shall specify the complete name of that listing service.~~
- (E) ~~No Licensee shall enter into a Net Listing contract for the sale of real property, or any interest therein.~~
- (F) ~~A listing agreement which provides for the Principal Broker's retention of any portion of the deposit monies upon default by the buyer shall specifically state such in large type or bold print in such a manner as to inform the seller of this contingency.~~

~~RULE 15 — OFFICES~~

- (A) ~~Every Principal Broker shall maintain an established place of business in the State of Rhode Island, which shall be Open to the Public during regular business hours. This regulation does not apply to Brokers affiliated in the capacity of a Salespersons or holders of reciprocal Licenses who by statute are not required to maintain offices in this State.~~
- (B) ~~If such office be located in a residence it shall be independent of living quarters and shall have direct access to the office or have a separate exterior entrance plainly visible from the street upon which the Licensed premises shall have frontage. This subsection shall not apply to offices in existence prior to January 1, 1959.~~
- (C) ~~No Principal Broker's established place of business shall be in the dwelling premises of any Licensee affiliated with that Principal Broker.~~
- (D) ~~If such office is located in a business or trade establishment, the real estate office shall have an exterior entrance plainly visible from the street upon which the Licensed premises has frontage and shall have the Licensee's regular business name in public view or on a sign in the lobby of the building in which the office is situated. Said office shall have a conference room where client confidentiality can be provided. The conference room may be the private office of the Licensee, but may not be a general office except when the general office area is greater than two hundred (200) square feet.~~
- (E) ~~Every Agency shall be under the direct supervision of a Principal Broker. Such Principal Broker shall be responsible for the full time management of said office.~~

- (F) ~~The name of the Licensee designated as the person responsible for the supervision of an office shall be on file with the Real Estate Section of the Department. No Licensee shall be responsible for the supervision of more than one (1) office at any time.~~

~~RULE 16 — BRANCH OFFICES~~

- (A) ~~In the event the Principal Broker maintains a branch office(s), every such office shall comply with the provisions of Regulation 15.~~
- (B) ~~No branch office License shall be issued for a branch office situated in the dwelling premises of an affiliated Licensee.~~
- (C) ~~A branch office shall be under the direct supervision of the Licensed Broker designated as the Office Supervisor whose name shall be on file with the Real Estate Section of the Department.~~
- (D) ~~The Office Supervisor shall devote his/her full time to management of said office.~~
- (E) ~~When a branch office License is issued to a Broker it shall specifically set forth the name of the Broker in charge as Office Supervisor and shall be conspicuously displayed at all times in the branch office.~~
- (F) ~~A branch office License shall be returned for cancellation or correction upon the change of an Office Supervisor.~~
- (G) ~~A fee of twenty five dollars (\$25.00) shall be paid for each branch office license issued by the Department.~~

~~RULE 17 — FEES~~

~~Before an original License is issued, the applicant shall pay a fee of twenty five dollars (\$25.00) which shall be deposited into the Real Estate Recovery Fund Account. Any fees prescribed by the Act shall be paid by check or money order made payable to the Rhode Island General Treasurer.~~

~~RULE 18 — OBLIGATIONS OF LICENSE SPONSORS~~

~~Recognizing the statutory requirement that any licensee shall be of good reputation, the sponsoring Broker, before applying for the licensing of any Salesperson applicant, shall assure him/herself and the Department that such applicant bears a good reputation for honesty and fair dealings.~~

~~RULE 19 — PLACEMENT OF INSURANCE~~

~~Where a contract provided by a Broker contains a provision to the effect that such Broker, in his capacity as a Licensed insurance agent or Broker, is authorized to place or procure insurance on the property being sold, the Licensee benefiting by such a provision shall obtain separate written reaffirmation of such provision by the prospective insured within five (5) days prior to the closing of title.~~

~~RULE 20 — GENERAL OBLIGATIONS OF LICENSEES~~

- ~~(A) All Licensees are subject to and shall strictly comply with the laws of agency and the principals governing fiduciary relationships. Thus, in accepting employment as an agent, the Licensee pledges him/herself to protect and promote, as he/she would his own, the interests of the principal he/she has undertaken to represent. This obligation of absolute fidelity to the principal's interest is primary, but does not relieve the Licensee from the binding obligation of dealing fairly with all parties to the transaction.~~
- ~~(B) Every Licensee shall make a diligent effort to ascertain all pertinent information and facts, including but not limited to lot size, zoning, presence or absence of town water or sewer connection, and in the course of a new dwelling, municipal acceptance of the plat and certificate of occupancy, concerning every property for which he/she accepts an agency, and concerning every person for whom he/she submits an offer to his/her principal. The Licensee shall reveal, in writing, all information and facts material to any transaction to his/her principal and when appropriate to any other party. This information shall include any actual or potential conflicts of interest which the licensee may reasonably anticipate.~~
- ~~(C) The Licensee shall diligently transmit every written offer on any specific real property or interest therein to the owner or his/her authorized representative.~~
- ~~(D) The Licensee shall promptly notify the Department of any changes in either his business or residence address.~~

~~RULE 21 — DISCRIMINATORY PRACTICES PROHIBITED~~

- ~~(A) No Licensee shall solicit the sale, lease or the listing for sale or lease of residential property on the grounds of alleged change of venue due to the presence or prospective entry into the neighborhood of an individual or individuals of another race, creed, color, religion, sex, sexual orientation, marital status, national origin, disability, or age nor shall distribute, or cause to be distributed, material, or make statements designed to induce a residential property owner to sell or lease his/her property due to such change in the neighborhood.~~
- ~~(B) No Licensee shall violate the Fair Housing Practices Act, Title 43, Chapter 37 of the Rhode Island General Laws, the Civil Rights Act of 1866, 42 U.S.C. Sections 1981-1982, or the Civil Rights Act of 1968, Title VIII and Title IX, 42 U.S.C.~~

~~Sections 3601-19, and 3631 to the extent that such violation constitutes a violation of the Act.~~

~~RULE 22 — DELEGATION OF AUTHORITY~~

~~The Real Estate Section of the Department may grant the authority to sign applications for licensure or the transfer of Licenses to one other Licensed Broker not the Principal Broker and/or the designated Office Supervisor in an office. In the case of a sole proprietorship partnership, association, trust or corporation the additional designated Broker must be an officer of the partnership, association, trust or corporation. A power of attorney must be on file with the Real Estate Section delegating such authority.~~

~~RULE 23 — TRANSFER AND RETURN OF LICENSE WHEN OFFICE CLOSES~~

- ~~(A) When a Licensee is transferring affiliation from one Agency to another a written notice must be sent to the Real Estate Section of the Department by the affiliated Principal Broker/Office Supervisor/or an officer of the Agency delegated the authority to do so, informing the Department of the termination of affiliation of the affiliated Licensee. A transfer of License form provided by the Department must be signed by the Principal Broker/Office Supervisor/or an officer of the Agency delegated the authority to do so of the new Firm with whom the Licensee will be affiliated and filed with the Real Estate Section of the Department.~~
- ~~(B) Upon the dissolution or termination of a Real Estate Agency the Principal Broker shall notify the Real Estate Section in writing of such an occurrence and return his/her License to the Real Estate Section of the Department within ten (10) days. When a dissolution or termination of a real estate firm occurs all Licensees affiliated with that Agency must transfer their License to another Agency or return it to the Department within ten (10) days for cancellation.~~
- ~~(C) The return of each Broker or Salesperson License must be accompanied by a letter terminating employment or affiliation in compliance with R.I. Gen. Laws § 5-20.5-14(33).~~

~~RULE 24 — TEMPORARY LICENSES~~

~~For the purpose of expediting the right of Licensees to engage in Real Estate activities, where License certificates cannot be issued without delay after all conditions have been fulfilled, the Director directs that the following letter be forwarded to these Licensees:~~

~~Date~~
~~Principal Broker~~
~~Address~~
~~Broker's Reference No.~~

Salesman's Reference No.

~~This will acknowledge receipt of your fee in payment of a (Salesman's) (Broker's) License. Your License certificate, bearing the above date, will be issued within the next thirty days. In the interim, this letter will serve as your authority to engage in the real estate activities defined under the provisions of R.I. Gen. Laws § 5-20.5-1 *et seq.* This letter is to be prominently displayed at your Broker's maintained place of business pursuant to the provisions of R.I. Gen. Laws § 5-20.5-7 as evidence of licensure until receipt of the License certificate. The authority granted herein shall be null and void thirty days from the receipt thereof.~~

~~RULE 25 — RENTAL REFERRALS~~

- ~~(A) Every Licensee involved in the business of referring prospective tenants to possible rental units or locations for a fee from the prospective tenant shall enter into a written contract with the prospective tenant and give such person a copy of the contract. The Licensee must disclose the manner in which the listings or units had been obtained. Any fee charged in excess of ten dollars (\$10.00) shall be repaid or refunded to the prospective tenant if the prospective tenant, after a bona fide effort, does not obtain a rental conforming to his/her specifications, through the listings furnished by the Licensee, in 10-point bold type or larger, placed directly above the space provided for the signature of the prospective tenant. Said contract shall also state that a copy of this section has been provided to the prospective tenant, and all contracts must contain a provision to this effect. If the information concerning rentals furnished by the Licensee is not current or accurate in regard to the type of rental desired, the full fee shall be repaid or refunded to the prospective tenant upon demand.~~
- ~~(B) No licensee shall knowingly refer a prospective tenant to:~~
- ~~(1) A nonexistent address; or~~
 - ~~(2) Property which was not for lease or rent.~~

~~RULE 26 APPRAISALS~~

~~“Appraisal” or “Real Estate Appraisal” shall mean an analysis, opinion, or conclusion relating to the nature, quality, value or utility of specified interests in, or aspects of, identified real estate that conforms to the standards adopted by the Uniform Standards of Professional Appraisal Practice (“USPAP”).~~

~~“Broker Price Opinion” (“BPO”) shall mean an analysis, opinion, or conclusion prepared by a person licensed under R. I. Gen. Laws § 5-20.5-1 *et seq.* in the ordinary~~

~~course of his or her business relating to the price of specified interests in or aspects of identified real estate or identified real property for the purpose of listing, purchase, or sale.~~

~~“Comparative Market Analysis” (“CMA”) shall mean an analysis, opinion, or conclusion prepared by a person licensed under R. I. Gen. Laws § 5-20.5-1 *et seq.* in the ordinary course of his or her business relating the price of specified interests in or aspects of identified real estate or identified real property by comparison to other real property currently or recently *sold* in the marketplace for the purpose of listing, purchase, or sale.~~

~~A real estate salesperson and/or broker licensed under R.I. Gen. Laws § 5-20.5-1 *et seq.* shall disclose on a BPO or CMA that it is not an appraisal that conforms to the standards adopted by the USPAP. All BPOs and CMAs must include the following disclaimer:~~

~~*This opinion or analysis is not a certified appraisal or an appraisal that conforms to the Uniform Standards of Professional Appraisal Practice (USPAP). It is intended only for the benefit of the addressee for the purpose of assisting buyers or sellers or prospective buyers or sellers in deciding the listing offering, or sale price of the real property and not for any other purpose, including but not limited to, lending purpose excepting that specifically provided under R.I. Gen. Laws 5-20.7-3.*~~

~~Any licensed real estate broker and/or salesperson who is not a certified appraiser pursuant to R.I. Gen. Laws § 5-20.7-1 *et seq.* shall not describe or refer to any valuation of real estate as a certified appraisal.~~

~~No person, other than persons certified in accordance with the provisions of R.I. Gen. Laws § 5-20.7-1 *et seq.*, shall assume or use that title or any title, designation or abbreviation likely to create the impression of certification as a real estate appraiser by this state.~~

~~The CMA or BPO or Appraisal shall be available to the Real Estate Administrator for a minimum of three (3) years.~~

~~This Rule shall not apply to appraisals of real property carried out for the purpose of municipal valuation.~~

~~RULE 27 — OBLIGATIONS IN SOLICITING REAL PROPERTY LISTINGS~~

- ~~(A) It is the obligation of all Licensees to provide professional services to sellers of real property and to respect the exclusive agency of other Brokers in accordance with R.I. Gen. Laws §§ 5-20.5-14 (11) and (23)..~~
- ~~(B) It shall not be a violation of this regulation for a Licensee to attempt to solicit an open listing or an expired listing of real property.~~

**~~RULE 28 — MANDATORY — LEAD — POISONING/LEAD — HAZARD
MITIGATION REQUIREMENT~~**

- ~~(A) For every Licensee whose license is first issued or first renewed on or after July 1, 2004, said licensee shall present evidence to the Department that he/she has successfully completed a lead poisoning /lead hazard mitigation course on or after July 1, 2003 from a licensed proprietary school or an approved course provider as determined by the Department, the Housing Resources Commission (HRC) and The Rhode Island Department of Health (DOH) prior to the issuance or renewal of the license.~~
- ~~(B) This requirement shall apply to first renewals when licenses were initially issued before July 1, 2004.~~
- ~~(C) Any lead poisoning/lead mitigation course offered by a licensed proprietary school or an approved course provider to fulfill this requirement must be no less than three (3) classroom hours.~~
- ~~(D) All Licensees are subject to this requirement. There shall be no exemptions from this requirement, including but not limited to individuals who currently hold a valid Broker's or Salesperson's License originally issued prior to December 27, 1984 and those exempt from testing and continuing education under R.I. Gen Laws 5-20.5-4(d).~~

**~~RULE 29 — CONTINUING — EDUCATION — FOR — BROKERS — AND
SALESPERSONS~~**

- ~~(B) Prior to renewal of any Broker's or Salesperson's License, the Licensee shall make a positive affirmation, either in writing or electronically, certifying under penalty of perjury to the Real Estate Section of the Department that the Licensee has attended and successfully completed during the preceding two (2) year period, eighteen (18) clock hours of real estate oriented educational sessions or courses of instruction of which at least six (6) clock hours must come from the following core courses:~~

- ~~• Law of Agency~~
- ~~• Law of Contracts~~
- ~~• Fair Housing~~
- ~~• Lead Hazard Mitigation~~
- ~~• RI License Law & Ethics~~

~~Twelve (12) hours may come from any courses approved by the Real Estate Commission in accordance with R.I. Gen. Laws § 5-20.5-12 unless exempt from the requirement under R.I. Gen. Laws § 5-20.5-2 and any other continuing education requirement mandated by the Department.~~

- (C) ~~The Real Estate Commission shall have the responsibility to:~~
- ~~(1) Publish a list of approved providers at which courses may be taken.~~
 - ~~(2) Publish a list of approved courses. The courses shall be in, but are not limited to, the following areas:~~
 - ~~(a) Law of Agency;~~
 - ~~(b) Law of Contracts;~~
 - ~~(c) Real Estate Law and Conveyance;~~
 - ~~(d) Real Estate Marketing;~~
 - ~~(e) Legal Description and Zoning;~~
 - ~~(f) The Closing Statement and Trust Account;~~
 - ~~(g) Elements of Appraising, Construction and Design;~~
 - ~~(h) Financing of Real Estate;~~
 - ~~(i) Real Estate Insurance;~~
 - ~~(j) Taxes and Real Estate;~~
 - ~~(k) Real Estate Mathematics;~~
 - ~~(l) Fair Housing;~~
 - ~~(m) Rhode Island License Law and Ethics;~~
 - ~~(n) Wetlands and Coastal Real Estate;~~
 - ~~(o) Condominiums and Time Sharing Laws; and~~
 - ~~(p) Lead Hazard Mitigation.~~
 - ~~(3) Create a sample, uniform certificate to be issued by the approved providers to be distributed to the students as proof of completion of the course; and~~

- (4) ~~All continuing education courses submitted for approval on or after June 1, 2001 will be approved for a three (3) year period. Resubmission is required for re-approval for additional three year periods.~~
- (C) ~~The individual Licensee shall have the responsibility to:~~
- (1) ~~Fulfill the requirements of this regulation; and~~
- (2) ~~Affirm, swear and certify under penalty of perjury, compliance with the Continuing Education requirements set forth herein.~~
- (D) ~~Completion of the requirements of this section will be a condition precedent to renewal of a License. A Licensee's misrepresentation or false certification as to course attendance and completion will subject such Licensee to a "show cause" order as to why said Licensee's License should not be revoked. If a Licensee fails to show cause, the Director may revoke the License.~~
- (E) ~~This regulation shall in no way impose any requirements on those individuals who currently hold a valid Broker's or Salesperson's License originally issued prior to 12/27/84, those exempt under R.I. Gen. Laws § 5-20.5-2 or any Licensee who has been Licensed less than one hundred eighty (180) days prior to the expiration of the License. A Salesperson who obtains a Broker's License shall be subject to the continuing education requirements set forth herein.~~
- (F) ~~All Real Estate school permits shall expire annually on August 31 and those licenses will remain in effect for a period of one (1) year.~~

~~RULE 30 — CONDUCT OF CASES~~

~~The Administrative Procedures Act and the Rules of Practice and Procedure in Administrative Hearing before the Department shall govern the procedures to be followed in all cases pursuant to this regulation.~~

~~RULE 31 — SUBSEQUENT CHANGES IN THE REGULATION~~

~~Any changes in the Act which affect the content, language or intent of this regulation, will be deemed adopted by the Department on the date of implementation of the changes in the Act.~~

~~RULE 32 — LICENSE TERM~~

~~Licenses shall be renewed on a two (2) year basis with the expiration being in even years.~~

~~RULE 33 — ERRORS AND OMISSION INSURANCE~~

~~If a claim is made against a Licensee, the Licensee must forward said claim to his or her errors and omissions insurance carrier if it is reasonable to do so. If the Department orders or otherwise requests a Licensee to forward a claim to his or her errors and omission insurance carrier, the Licensee must do so promptly.~~

~~*Section 5 — Effective Date*~~

~~This Regulation shall be effective as indicated below.~~

~~DATE FILED: December 13, 2001~~

~~EFFECTIVE DATE: January 2, 2002~~

~~AMENDED: June 3, 2002
June 23, 2002
July 8, 2004~~

~~EMERGENCY
AMENDMENT: February 24, 2006~~

~~REPEAL OF
EMERGENCY
AMENDMENT: February 24, 2006~~

~~AMENDED: April 24, 2006~~

ESCROW DEPOSIT TRANSMITTAL FORM

Instructions: The broker or salesperson must transmit a signed original of this form to the General Treasurer's Office. (NOTE: include Licensee's address and telephone). A copy of this form must be sent to the Department of Business Regulation, Real Estate Section, 233 Richmond Street, Providence, RI 02903.

In accordance with R.I. Gen. Laws § 5-20.5-26, the enclosed check in the amount of \$_____ is being transferred to the R.I. General Treasurer to be held in trust until the parties to the transaction can resolve the dispute regarding the deposit for real estate which is the subject of a purchase and sales agreement dated _____.

The Deposit was held for 180 days by the listing agency.

Date of Original Deposit

Parties have not agreed to extend the agreement pursuant to which the deposit is being held.

Property Address _____

Description of Property (Plat No. & Lot No.) _____

Name & Address of Seller _____ Telephone No. _____

Name & Address of Listing Real Estate Agency _____

Name of Seller's Agent(s) _____ License No. _____

Name of Principal Broker of Agency _____

Errors & Omissions Insurance Carrier _____

Errors & Omission Policy Number and Effective Date _____

Federal Tax ID No. _____

Name & Address of Buyer _____ Telephone No. _____

Name & Address of Buyer's Agent, if applicable _____

_____ License No. _____

Name & Address of Cooperating Agency, if applicable _____

Name of Cooperating Agent _____ License No. _____

Errors & Omissions Insurance Carrier _____

Policy Number & Effective Date _____

Federal Tax ID No. _____

DATE: _____

Broker License Number _____ Signature of Principal Broker _____

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
CLAIM FOR RETURN OF PROPERTY
SALESPERSON OR BROKER AFFIDAVIT TO OBTAIN DEPOSIT**

Claim is hereby filed for a return of a deposit on a Real Estate Escrow Deposit turned over to the General Treasurer in accordance with R.I. Gen. Laws § 5-20.5-26. The deposit was transmitted to the General Treasurer on _____.

Complete and mail to the address below.

1. Name of Claimant: _____ SS# _____

Co-Claimant: _____ SS# _____

Present Address: _____

_____ Phone # _____

Name and address of original owner at time property was purchased: _____

2. Description of property: _____

_____ Amount of Deposit: _____

Holder: _____

3. This claim is made by (please check appropriate line):

A. Original owner

B. Under assignment of transfer

C. As guardian, executor, administrator of other representative

D. Under decree of distribution in probate proceeding

E. As heir or legatee per will (enclosed copy)

F. As heir and survivor when no will or probate proceedings were filed

G. Other (please specify and explain)

4. If claimant presents this claim as heir and survivor, complete the following:

~~The Original owner left surviving him/her the following heir: (Note: Name widow/widower, children and if none, all the other heirs of the deceased, giving their relationship and place of residence.)~~

NAME	RELATIONSHIP	ADDRESS
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

(Continue on separate sheet, if necessary)

5. State of _____
County of _____

~~Each of the undersigned affiants (signatory), being duly sworn, deposes and states: That affiant(s) is/are the claimant(s) in the foregoing claim; that affiant(s) has read the foregoing claim and knows the contents therefor; that the same is true of affiant's own knowledge; that the money or property involved has not been received by affiant(s); that affiant(s) of said claim and sole person(s) entitled to receive the property set forth in said claim; and that affiant(s) agree to indemnify and hold harmless the State of Rhode Island, its officers and employees, from any loss resulting from the payment of said claim.~~

Affiant _____
(Claimant's signature)

Affiant _____
(Claimant's signature)

Subscribed and sworn to before me this _____ day of _____ 20____

Notary Public

My commission expires _____

Please attach supporting documents.
Mail all completed forms to:
Unclaimed Property Division
P.O. Box 1435
Providence, Rhode Island 02901-1435

RELEASE

KNOW ALL MEN BY THESE PRESENTS, that I, _____
residing on _____
in the city or town of _____ in the State of _____, for and in
consideration of the sum of _____ dollars (\$ _____) or #
_____ shares of stock of _____ company, upon receipt
by me paid by the General Treasurer of the State of Rhode Island, under provisions of Section
33-21.1-1 to 33-21.1-41 of the General Laws of Rhode Island, do hereby release and forever
discharge the said General Treasurer and the State of Rhode Island and its agencies and their
successors from all debts, demands, actions and liabilities whatsoever, which against the said
General Treasurer and the State of Rhode Island that I now or ever had, arising out of or relating
to the aforesaid money property.

In further consideration of the payment of the aforementioned sum, I hereby agree to indemnify
and save harmless the General Treasurer, the State of Rhode Island, its Agencies and successors
form all claims or demands of any other person or persons on the same account.

Sworn to before me this _____ day of _____ 20_____

Notary Public _____ Claimant Signature

Claimant Signature

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

DEPARTMENT OF BUSINESS REGULATION

DIVISION OF COMMERCIAL LICENSING

1511 PONTIAC AVENUE, BLDG. 69-1

CRANSTON, RHODE ISLAND 02920

www.dbr.state.ri.us

COMMERCIAL LICENSING REGULATION 11

REAL ESTATE BROKERS AND SALESPERSONS

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SECTION 1. INTRODUCTION

- (A) Commercial Licensing Regulation 11 – Real Estate Brokers and Salespersons is promulgated pursuant to R.I. Gen. Laws § 5-20.5-1, et seq., and R.I. Gen. Laws § 42-14-17.
- (B) The purpose of this regulation is to promote the general welfare of the citizens of Rhode Island by the implementation of R.I. Gen. Laws § 5-20.5-1, et seq., and § 5-20.6-1, et seq., so that the provisions thereunder may be best effectuated and the public interest be most effectively served.

SECTION 2. DEFINITIONS

- (A) Terms defined in R.I. Gen. Laws §§ 5-20.5-1 and 5-20.6-2 are incorporated herein by reference.
- (B) When used in this chapter, unless the context indicates otherwise:
- (1) Appraisal or real estate appraisal shall mean an analysis, opinion, or conclusion relating to the nature, quality, value or utility of specified interests in, or aspects of, identified real estate prepared by a person licensed under R.I. Gen. Laws § 5-20.7-1, et seq., that conforms to the standards adopted by the Uniform Standards of Professional Appraisal Practice (“USPAP”).
 - (2) Broker price opinion (“BPO”) shall mean an analysis, opinion, or conclusion prepared by a person licensed under R.I. Gen. Laws § 5-20.5-1, et seq., in the ordinary course of his or her business relating to the price of specified interests in or aspects of identified real estate or identified real property for the purpose of listing, purchase, or sale.
 - (3) Clock hour means a period of at least fifty (50) minutes of classroom instruction.
 - (4) Comparative market analysis (“CMA”) shall mean an analysis, opinion, or conclusion prepared by a person licensed under R.I. Gen. Laws § 5-20.5-1, et seq., in the ordinary course of his or her business relating to the price of specified interests in or aspects of identified real estate or identified real property by comparison to other real property currently or recently sold in the marketplace for the purpose of listing, purchase, or sale.
 - (5) Department shall mean the Department of Business Regulation.
 - (6) License shall mean a real estate salesperson or broker license issued by the Department.
 - (7) Net Listing shall mean an agreement in which a prospective seller lists Real Estate for sale with an authorization to a Broker to sell at a specified net dollar return to

the seller and which provides that the Broker may retain as Commission the difference between the specified dollar return to the seller and the actual sales price.

- (8) Promptly shall mean not more than ten (10) calendar days.
- (9) Real Estate Commission shall mean the Commission created pursuant to R.I. Gen. Laws § 5-20.5-12.

SECTION 3. LICENSEE'S NAME AND ADDRESS

Upon initial licensure and at all times thereafter, every licensee shall ensure that the Department has on record the licensee's current personal name, firm affiliation, trade name, residence address and firm address. Every licensee shall notify the Department in writing of each change of personal name, firm affiliation, trade name, residence address and firm address within ten days of the change. All addresses shall be sufficiently descriptive to enable the Department to correspond with and locate the licensee.

SECTION 4. PRINCIPAL BROKERS AND BROKERAGES

- (A) The principal broker shall act in a supervisory capacity for every real estate transaction in which an affiliated licensee participates.
- (B) The principal broker shall be responsible for the compliance of his or her affiliated licensees with the Rhode Island General Laws pertaining to real estate licensure and this regulation.
- (C) The principal broker shall be responsible for the compliance of his or her non-licensed employees with the Rhode Island General Laws pertaining to real estate licensure and this regulation.
- (D) The principal broker shall maintain an escrow account for the funds of others and shall make certain that no funds of others are disbursed or utilized without his or her express authorization and knowledge.
- (E) The principal broker shall assume responsibility for:
 - (1) The adequate supervision of each affiliated licensee and each office of the brokerage at which real estate activities requiring licensure are conducted;
 - (2) The filing of any change of business address or trade name of the brokerage and the registration of any assumed business name adopted by the brokerage for its use with the Department;
 - (3) The notification in writing of any change of his or her status as principal broker to the Department within ten (10) days following the change;
 - (4) The proper display of all licenses;
 - (5) The verification that each licensee affiliated with the brokerage has a license in good standing with the Department at the beginning of each renewal term;

- (6) The proper retention and maintenance of records relating to transactions conducted by or on behalf of the brokerage at such office; and
 - (7) The preservation and safekeeping of the transaction and escrow account records upon termination of his or her status as principal broker until a new principal broker has been designated.
- (F) If a principal broker, in his capacity as an insurance licensee of the Department, is authorized to place or procure insurance on the property being sold in a contract provided by the principal broker, he or she shall obtain written reaffirmation of such provision by the prospective insured within five (5) days prior to the closing of title.

SECTION 5. SALESPEOPLE

A licensed real estate salesperson must be affiliated with a licensed principal broker in order to engage in any real estate activity requiring licensure. A licensed salesperson shall not operate, supervise, or manage a real estate brokerage.

SECTION 6. EXAMINATIONS

- (A) Examinations may be written or oral. Requests for an oral examination or time extension may be made to and granted at the discretion of the Department.
- (B) There shall be a one (1) year time limit for reexamination with regard to failure of any section of the Broker or Salesperson examination. If an applicant fails to pass any particular section, he or she may retake that section within the one (1) year time limit. If the one (1) year time limit for reexamination expires, he or she must retake the entire examination.
- (C) If a license has expired for more than one (1) year, the former licensee must complete a new application and retake the examination in accordance with R.I. Gen. Laws § 5-20.5-11(b).

SECTION 7. EDUCATION REQUIREMENTS

- (A) Applicants for a real estate salesperson's license, including former licensees whose salesperson's license has expired for more than one (1) year, must submit satisfactory evidence of completion of a minimum of forty-five (45) classroom hours pursuant to R.I. Gen. Laws § 5-20.5-4(b). Classroom hours completed more than two (2) years from the date of the application will not be considered in meeting the 45-hour requirement.
- (B) Applicants for a real estate broker's license, including former licensees whose broker's license has expired for more than four (4) years, must submit satisfactory evidence of completion of a minimum of ninety (90) classroom hours, unless exempted pursuant to R.I. Gen. Laws § 5-20.5-4(b).
- (C) At no time shall the forty-five (45) classroom hours used to qualify for a salesperson's license be used to qualify for the ninety (90) hours required for a broker's license. In addition, classroom hours completed more than four (4) years from the date the application will not be considered in meeting the 90-hour requirement.

SECTION 8. FEES

- (A) Before the Department issues an original license, the applicant shall pay a fee of twenty-five dollars (\$25.00) that shall be deposited into the Real Estate Recovery Fund Account.
- (B) Any fees prescribed by statute shall be paid by check or money order made payable to the Rhode Island General Treasurer.
- (C) If a check is not honored for payment by the endorser's financial institution, subsequent attempts to make payment must be in the form of a money order or cashier's check. Returned checks may subject licensees to disciplinary action pursuant to R.I. Gen. Laws § 5-20.5-14.

SECTION 9. LICENSE RENEWAL TERM

- (A) Licenses shall be renewed every two (2) years on May 1 of each even numbered year.
- (B) Licenses shall be considered renewed upon the payment of the renewal fee by May 1 of each even numbered year.
- (C) Licensees are responsible for the timely renewal of their license. The Department may provide notice of the license renewal requirement as a courtesy but the absence of such notice shall not be construed as relieving licensees from their responsibility for timely license renewal.
- (D) Failure to renew prior to May 1 of every even numbered year shall result in the institution of administrative disciplinary proceedings in accordance with the Administrative Procedures Act, Chapter 35 of Title 42 of the Rhode Island General Laws, and the Department's *Central Management Regulation 2 – Rules of Procedure for Administrative Hearings*.

- (E) The Department may impose administrative penalties as a condition of reinstatement of a license, taking into account any aggravating or mitigating facts and circumstances.

SECTION 10. DISAFFILIATION OF LICENSEE

- (A) When a licensee disaffiliates from a brokerage, the principal broker must send written notice to the Real Estate Section of the Department of the disaffiliation of the licensee. The principal broker of the licensee's new brokerage must sign and submit a transfer of license form to the Department.
- (B) Licensees are not required to return their license to the Department unless it has been revoked or they wish to surrender the license.

SECTION 11. DISSOLUTION OF BROKERAGE

The principal broker shall notify the Department in writing of the dissolution of the brokerage and return his or her license to the Department within ten (10) days. Upon the dissolution of a brokerage, all licensees affiliated with that brokerage must transfer their license to another brokerage or return it to the Department within ten (10) days for cancellation.

SECTION 12. PROPERTY MANAGEMENT COMPANIES

- (A) Any person who performs any of the acts within the meaning of "real estate broker" pursuant to R.I. Gen. Laws § 5-20.5-1(4) in the regular course of, or as an incident to, the management of another person's real property shall be licensed pursuant to Chapter 20.5 of Title 5 of the Rhode Island General Laws.
- (B) This section does not apply to a bona fide owner, lessor, or lessee of the real property being managed, or the regular employees thereof.

SECTION 13. REPORTING CONVICTIONS AND DISCIPLINARY ACTIONS

Any licensee convicted of, or otherwise pleads guilty or *nolo contendere* to, any felony or misdemeanor, or is disciplined by any governmental agency in connection with any other occupational license, shall file with the Department a written report of such conviction or disciplinary action within sixty (60) days of the final judgment or final order in the case.

SECTION 14. DISCRIMINATORY PRACTICES PROHIBITED

- (A) No licensee shall solicit the sale, lease, the listing for sale, or the lease of residential property due to the presence or prospective entry into the neighborhood of an individual or individuals of any protected class designated in the Rhode Island Fair Housing Practices Act, Title 34, Chapter 37 of the Rhode Island General Laws; nor shall licensees distribute material or make statements designed to induce a residential property owner to sell or lease his or her property due to such change in the neighborhood.
- (B) No licensee shall violate the Fair Housing Practices Act, Title 34, Chapter 37 of the Rhode Island General Laws, the Civil Rights Act of 1866, 42 U.S.C. §§ 1981-1982, or the Civil Rights Act of 1968, Title VIII and Title IX, 42 U.S.C. §§ 3601-19, and 3631, to the extent that such violation constitutes a violation of the Rhode Island General Laws pertaining to real estate licensure and this regulation.
- (C) No licensee or brokerage shall advertise or use any form of application or make any inquiry that expresses directly or indirectly any limitation, specification, or discrimination as to individuals of any protected class designated in the Rhode Island Fair Housing Practices Act, Title 34, Chapter 37 of the Rhode Island General Laws.

SECTION 15. ADDITIONAL GROUNDS FOR DISCIPLINARY ACTION

- (A) No person shall engage in the business of licensed real estate activity while his or her license is expired, revoked, suspended, or otherwise not valid.
- (B) A licensee who fraudulently certifies to the Department completion of the continuing education requirement described in Section 31 of this regulation may be subject to the suspension of his or her license following notice and an opportunity for a hearing until such time that the requirements of Section 31 are satisfied.

SECTION 16. CONDUCT OF CONTESTED CASES

- (A) *Powers and Proceedings.* The Administrative Procedures Act, Chapter 35 of Title 42 of the Rhode Island General Laws, and the Department's *Central Management Regulation 2 – Rules of Procedure for Administrative Hearings* shall govern all complaint and enforcement proceedings pursuant to Chapter 20.5 of Title 5 of the Rhode Island General Laws and this regulation.
- (B) *Complaints.* Any person may file a complaint against any licensee or any person who is required to be licensed but is not licensed by the Department. Such complaint shall be in writing, signed by the Complainant, and on a form provided by the Department. The Department shall make an initial determination whether or not the complaint is within the Department's jurisdiction. If no jurisdiction exists, the Department shall notify the complainant in writing. If jurisdiction exists, the Department shall conduct whatever investigation it deems appropriate, including forwarding a copy of the complaint to the Respondent. If instructed to do so by the Department, the Respondent shall file a

response to the complaint within fifteen (15) business days or such other time frame specified by the Department.

Upon completion of its investigation, the Department shall take one (1) of the following actions:

- (1) If the Department determines that the complaint fails to establish probable cause of a violation of the Rhode Island General Laws pertaining to real estate licensure or this regulation, the Department shall take no action on the complaint and shall advise the Complainant and Respondent in writing of the determination; or
 - (2) If the Department determines that the complaint establishes probable cause, the Department shall take such action as it deems appropriate under applicable law and the rules and regulations adopted pursuant thereto.
- (C) *Department Investigations.* The Department on its own authority may initiate an investigation and take action (i) against a licensee, (ii) against an applicant for a license or for renewal of a license, (iii) against any person who is required to be licensed but is not licensed, and (iv) against any person who is subject to the regulatory authority of the Department. All such actions shall be upon such terms and conditions as are permitted under applicable law and the rules and regulations adopted pursuant thereto.

SECTION 17. LICENSE RESTORATION

- (A) Following the revocation or suspension of a license in accordance with any disciplinary action, the Director may impose certain conditions to any future license restoration.
- (B) Such conditions for future license restoration may include, but are not limited to, the following:
 - (1) Successful completion of a written examination of the same type normally given to applicants for initial licenses;
 - (2) Successful completion of certain continuing education courses;
 - (3) Providing an updated criminal background check from the Attorney General's Bureau of Criminal Information (BCI);
 - (4) Sufficient evidence of rehabilitation where the nature of the offense so warrants; and/or
 - (5) Payment of an administrative penalty with consideration given to any aggravating or mitigating circumstances.

SECTION 18. CLIENT FUNDS

(A) Escrow Accounts.

- (1) The principal broker shall be responsible for each and every escrow account maintained on behalf of the brokerage and its offices.
- (2) Escrow accounts shall be so designated by the financial institution in which the account is located, and on all deposit tickets and checks drawn on the account. In addition, the monthly bank statement for the account shall bear the words, "Trust Account" or "Escrow Account."
- (3) Funds designated for escrow shall be deposited in the escrow account of the principal broker of the seller or landlord, unless otherwise agreed to in writing by the parties to the real estate transaction.
- (4) Funds designated for escrow shall be deposited in the escrow account promptly after the execution of the purchase and sales agreement or, in the case of a rental, promptly after receipt of the funds.
- (5) Funds held in escrow may be applied to the commission when earned by the respective licensees only at the time of, or subsequent to, the closing of the real estate transaction.
- (6) A licensee shall not convert the money or property of others to his or her own use, apply such money or property to a purpose other than that for which it was paid or entrusted to him or her, or permit or assist any other person in the conversion or misapplication of such money or property.
- (7) The maintenance of nominal amounts of the licensee's funds in escrow accounts solely to provide continuity in such accounts or to meet bank service charges shall not be construed to be commingling.
- (8) In the absence of any agreement to the contrary, the interest on monies placed in an interest-bearing escrow account shall accrue to the licensee.
- (9) If a statute or regulation compels the maintenance of a fixed amount of funds in a licensee's escrow account in addition to client or consumer funds, the maintenance of such fixed amount shall not be construed to be commingling.

(B) Salespersons Prohibited from Holding Client Funds. An affiliated licensee shall turn over all deposit monies received promptly to his or her principal broker or, at the direction of the principal broker, deposit the funds in the principal broker's escrow account.

(C) Sellers and Deposits.

- (1) A licensee may permit a buyer to draft a deposit check payable to the seller only if:
 - (a) The listing agreement so provides; and
 - (b) The seller's designated client representative or the neutral transaction facilitator informs the buyer in writing that the seller does not have any obligation to place the deposit monies in an escrow account.
- (2) When the listing agreement requires that the seller retain the deposit, the deposit check shall not be made payable to anyone but the seller.
- (3) Except as provided herein, a licensee who receives deposit funds payable directly to him or her shall not turn the funds over to a seller.

(D) Dual activities.

- (1) In real estate transactions in which a principal broker and/or his or her affiliated licensees participate in additional capacities (e.g., seller, builder, contractor, or insurance agent), all deposit monies received by the principal broker must be placed in his or her real estate escrow account, unless there is a contractual agreement between the principals to the contrary.
- (2) Any contractual agreement that provides for the deposit funds to be placed in an account other than the principal broker's escrow account must comport with the following:
 - (a) The agreement must be in writing;
 - (b) The agreement must include language that informs the buyer or renter that he or she forfeits the protections for monies placed in an escrow account in the event of a dispute over the real estate transaction; and
 - (c) All parties to the real estate transaction must sign the agreement.

(E) Security Deposits Relating to a Lease or Rental Agreement. Security deposits held by a landlord following the execution of a lease are governed by R.I. Gen. Laws § 34-18-19. The requirements of this regulation apply only to deposit funds held by a licensee prior to the execution of the lease or rental agreement.

SECTION 19. RELEASE OF DEPOSITS

(A) Forfeiture of Deposit. A principal broker may release a deposit to a seller or landlord only after the following steps have been taken:

- (1) The principal broker makes a good faith determination that the buyer or renter forfeited his or her rights to the deposit's return;
- (2) The principal broker provides written notice to the buyer or renter by certified mail, return receipt requested, of his or her intent to release the deposit to the seller or landlord sixty (60) days from the date of receipt of the written notice; and
- (3) The buyer or renter fails to notify the principal broker in writing within the sixty (60) day period that he or she disputes the ownership of the deposit.

(B) Return of Deposit. A principal broker may return a deposit to a buyer or renter only after:

- (1) The principal broker makes a good faith determination that the seller or landlord has forfeited his or her rights to the deposit;
- (2) The principal broker provides written notice to the seller or landlord by certified mail, return receipt requested, of his or her intent to return the deposit to the buyer or renter twenty-one (21) days from the date of receipt of the written notice; and
- (3) The buyer or renter fails to notify the principal broker in writing within the twenty-one (21) day period that he or she disputes the ownership of the deposit.

(C) Disputed Deposit. Whenever the parties to a real estate transaction dispute the ownership of any deposit monies received by a principal broker pursuant to R.I. Gen. Laws § 5-20.5-26, the following procedures shall apply:

- (1) If the ownership of the deposit monies is still disputed after 180 days from the date of the original deposit, the licensee must transmit the deposit to the General Treasurer. The attached form, entitled "Escrow Deposit Transmittal Form," shall accompany the transmittal. The transmittal of the deposit to the General Treasurer shall be made promptly after the expiration of the 180 days.
- (2) A minimum of thirty (30) days prior to the expiration of the 180 days, the principal broker shall by written letter inform the parties to the real estate transaction of the statutory requirements regarding disputed deposits. The letter shall contain the following language:

I have yet to receive notice of a resolution allowing me to disburse the deposit monies being held in escrow pursuant to a purchase and sales agreement for real property located at [insert address]. In accordance with R.I. Gen. Laws § 5-20.5-26,

I will transmit the deposit to the General Treasurer thirty (30) days from [insert date] unless I receive a written release signed by both the parties directing me to disburse the deposit monies. If I do not receive this release within thirty (30) days of [insert date], I will forward the deposit to the General Treasurer where it will be held in trust until the dispute is mediated, arbitrated, litigated, or otherwise resolved.

The parties may extend the time by which the deposit must be deposited with the General Treasurer by written agreement. If I do not receive a copy of any such agreement within thirty (30) days of [insert date], I will forward the deposit as required by R.I. Gen. Laws § 5-20.5-26.

- (3) If the parties resolve the matter after the deposit has been forwarded to the General Treasurer, the parties must provide written proof in the form of a mutual written release, mediation agreement, arbitration award, or court order to the principal broker who then must promptly act to obtain the deposit by forwarding to the General Treasurer the attached form entitled “Claim for Return of Property.” Upon receipt of the deposit, the principal broker must promptly disburse it to the parties according the written release, mediation agreement, arbitration award, or court order.
- (4) If the principal broker retires or dies after the deposit money has been transmitted to the General Treasurer but before the issue of ownership of the deposit is resolved, the “Claim for Return of Property” shall be submitted to the General Treasurer by the successor principal broker of the retired or deceased principal broker. If no successor principal broker exists, the parties shall complete the “Claim for Return of Property” and provide proof acceptable to the General Treasurer that no successor principal broker exists.

SECTION 20. RECORDS

- (A) Every principal broker shall ensure that his or her affiliated licensees keep records of all funds and property of others received by him or her for not less than three (3) years from the date of receipt of any such funds or property.
- (B) A licensee shall maintain and retain records sufficient to identify the ownership of all funds belonging to others and the property associated with those funds. Such records shall be sufficient to show proper deposit of such funds in an escrow account and to verify the accuracy and proper use of the escrow account. The required records shall include:
- (1) Bank statements.
- (2) Canceled checks. Checks shall conspicuously identify the payee and shall bear a notation identifying the purpose of the disbursement. When a check is used to disburse funds for more than one sales transaction, owner, or property, the check shall bear a notation identifying each sales transaction, owner, or property for which disbursement is made, including the amount disbursed

for each, and the corresponding sales transaction, property, or owner ledger entries. In lieu of retaining canceled checks, a licensee may retain digitally imaged copies of the canceled checks or substitute checks provided that such images are legible reproductions of the front and back of such instruments with no smaller images than 1.1875 x 3.0 inches and provided that the licensee's bank retains for a period of at least six years the original checks, or the capacity to provide substitute checks and makes the original or substitute checks available to the licensee and the Department upon request.

(3) *Journal or check stubs.* A journal or check stubs shall identify in chronological sequence each bank deposit and disbursement of monies to and from the escrow account, including the amount and date of each deposit and a reference to the corresponding deposit ticket and any supplemental deposit worksheet, and the amount, date, check number, and purpose of disbursements and to whom paid. The journal or check stubs shall also show a running balance for all funds in the account.

(4) *Copies of contracts, leases and management agreements.*

(5) *Closing statements and property management statements.*

(6) *Other documents.* Invoices, bills, and contracts paid from the escrow account, and any documents not otherwise described herein necessary and sufficient to verify and explain record entries. Records of all receipts and disbursements of escrow monies shall be maintained in such a manner as to create an audit trail from deposit tickets and canceled checks to check stubs or journals and to the ledger sheets. Ledger sheets and journals or check stubs must be reconciled to the escrow account bank statements on a monthly basis. To be sufficient, records of escrow monies must include a worksheet for each such monthly reconciliation showing the ledger sheets, journals or check stubs, and bank statements to be in agreement and balance.

(C) *Inspection of Records.* Every principal broker and his or her affiliated licensees shall make available for inspection by the Department all records of transactions, books of account, instruments, documents and forms utilized or maintained in the conduct of the licensed business activity. All records pertaining to escrow accounts shall be made available upon demand. All other records shall be open for inspection during regular business hours.

SECTION 21. COMMISSIONS

- (A) Unless otherwise expressly provided by written agreement between the principal broker and an affiliated licensee and cooperating broker and referring broker, all commissions due to a licensee from the principal broker shall be subject to an accounting and payment to the affiliated licensee and cooperating broker and referring broker no later than ten (10) calendar days from the receipt of such commission by the principal broker.
- (B) Every principal broker must promulgate a written policy for the payment of commissions to affiliated licensees upon their termination. Such policy must prescribe the rate of commission to be paid, if any, on termination. The principal broker must obtain the written signature of each affiliated licensee under such principal broker as soon as such affiliation is established to indicate that the affiliated licensee agrees to the policy. The policy shall include, but not be limited to, the following:
- (4) Upon termination of affiliation or employment, the principal broker shall make a complete accounting in writing of all commissions due to licensee;
- (5) In the event any commission so accounted for is not in accord with the established commission schedule, the principal broker shall give a complete written explanation of any difference; and
- (6) Such accounting shall be made within thirty (30) days after the termination of affiliation or employment of the licensee.
- (C) In the event the seller offers an incentive payment beyond the agreed listing fee to the procuring licensee, the principal broker and the seller must have a written agreement describing the incentive payment and recognizing that if the sale is a cooperative sale, the incentive payment must be in conformity with R.I. Gen. Laws § 5-20.5-14(12) and must be distributed to the licensee by the principal broker with whom he or she is affiliated.
- (D) An affiliated licensee of a principal broker may create a wholly owned corporation or limited liability company for the purpose of receiving commission payments from the principal broker. A corporation or limited liability company created for the purposes of this subsection may not be licensed or conduct licensed real estate activity in its own name. In addition, it may not have more than one shareholder in the case of a corporation or one member in the case of a limited liability company.
- (E) A principal broker may pay the earned commission of an affiliated licensee to that person's wholly owned corporation or limited liability company. To do so, the affiliated licensee must submit written instructions to the principal broker directing him or her to pay the affiliated licensee's share of the commission to the wholly owned corporation or limited liability company. It is the principal broker's obligation to assure that the corporation or limited liability company is solely owned by the affiliated licensee.

(F) In any real estate transaction, a licensee must disclose that he or she is licensed as a real estate broker or salesperson, even if no commission is at issue, when he or she is a party to the transaction as the following:

(1) A buyer (regardless of the percentage of ownership at issue);

(2) A seller (regardless of the percentage of the ownership at issue);

(3) An owner of a business entity that is a buyer or seller; or

(4) A representative of a family member, which includes any person who is related to the licensee, whether by blood, marriage or adoption, as any of the following: spouse, father, step-father, father-in-law, mother, step-mother, mother-in-law, son, step-son, son-in-law, daughter, step-daughter, daughter-in-law, brother, step-brother, brother-in-law, sister, step-sister, sister-in-law, grandfather, step-grandfather, grandfather-in-law, grandmother, step-grandmother, grandmother-in-law, grandson, step-grandson, grandson-in-law, granddaughter, step-granddaughter, granddaughter-in-law, uncle, step-uncle, uncle-in-law, aunt, step-aunt, aunt-in-law, niece, step-niece, niece-in-law, nephew, step-nephew, nephew-in-law, first cousin, step-first cousin and first-cousin-in-law.

(G) In order to take a commission, a licensee shall, at the first point of personal contact, disclose in writing whether:

(1) he or she has an ownership interest in the property being sold (regardless of the percentage or type of ownership);

(2) he or she is or will be purchasing any portion of the property being sold (regardless of the percentage of potential ownership);

(3) he or she has a business interest (ownership or otherwise) in a business entity that is a buyer or seller; or

(4) is acting on behalf of a family member which is defined in Section 21(F) above.

If the licensee does not disclose his or her position at the first point of personal contact and in writing as set forth in this section, the licensee shall not be entitled to a commission.

SECTION 22. GENERAL OBLIGATIONS OF LICENSEES

(A) All licensees shall deal fairly with all parties to a real estate transaction.

(B) Every licensee shall make a diligent effort to ascertain all pertinent information and facts, including but not limited to lot size, zoning, presence or absence of town water or sewer connection, and in the course of a new dwelling, municipal acceptance of the plat and certificate of occupancy, concerning every property in a real estate transaction in which he or she acts as a client representative. The client representative shall reveal, in writing, all information and facts material to any transaction to his or her client and when appropriate to any other party. This information shall include any actual or potential conflicts of interest that the licensee may reasonably anticipate.

SECTION 23. ADVANCE FEES

- (A) Any principal broker who charges or collects an advance fee for services to be rendered, including but not limited to, advertising costs under an advance fee agreement, shall at the time of accepting the advance fee furnish his or her buyer or seller with a list of services to be rendered.
- (B) This section shall not apply to advance fees charged by a principal broker for the purpose of performing a market analysis of real property.

SECTION 24. PROHIBITION AGAINST LENDING NAME

- (A) No licensee shall enter into an arrangement, either directly or indirectly, to lend his or her name or license for the benefit of another person, or for the purpose of circumventing the Rhode Island General Laws pertaining to real estate licensure and this regulation.
- (B) Any arrangement where a licensee affiliates with a principal broker not actively involved in real estate activity requiring licensure to circumvent the Rhode Island General Laws pertaining to real estate licensure and this regulation shall be grounds for disciplinary action.

SECTION 25. ADVERTISING

- (A) Unless otherwise stated herein, categories of advertising include but are not limited to any publication, radio or television broadcasts, business stationary, business cards, business and legal forms, electronic mail, web sites, twitter messaging, and other internet media, or documents.
- (B) A licensee shall not advertise in any way that is false or misleading.
- (C) All advertising shall include the name of the brokerage or principal broker under which the licensee is licensed to do business.
- (D) When the name of a licensee is contained in any advertising, except on business cards, it shall be in print smaller and less conspicuous than that of the brokerage.
- (E) The business card of any licensed salesperson shall clearly indicate that his or her license is as a Salesperson or an Associate Broker.
- (F) Any advertisement shall contain the words “to a qualified buyer” if it refers to the amounts of down payment or the monthly payment carrying charges, or indicates that a mortgage is obtainable (where the mortgage referred to is not already a lien against the premises advertised).
- (G) Any advertisement that sets forth amounts of down payment, monthly payment, carrying charges, taxes or mortgage money obtainable shall contain appropriate qualifying words such as “approximate” or “estimated.” The qualifying words shall be clearly associated with the amounts set forth. If such amounts are mentioned without qualification, the

licensee shall maintain written proof of the validity of such statements in his or her files. Such written proof shall be maintained for a period of three (3) years from the date upon which an advertisement containing such unqualified references shall have last appeared in any publication.

- (H) With the exception of magazine or newspaper advertisements published under municipality headings, any advertisement for the sale, exchange, or rental of residential real property placed by a licensee, shall designate the municipality containing the property.
- (I) Any use of an insignia, emblem, logo, trade name or other form of identification in any advertising or other public utterance, either by a single licensee or group of licensees, that suggests or otherwise implies common ownership or common management among such licensees, shall be prohibited except in the case of branch offices controlled by a principal broker and duly licensed as a branch office. The use, advertising, or display of any insignia, emblem, logo, or trade name of any bona fide trade association by any licensee provided that the licensee is a member of such trade association is permitted.
- (J) Any licensee advertising the trade name of an affiliated franchisor shall include in such advertising in a conspicuous manner the operating name of the brokerage that owns the franchise. Any licensee, including the franchisee using the trade name of a franchisor in any advertising, shall also include in a conspicuous manner the statement, "Each office independently owned and operated," except for the following categories of advertising:
- (3) "For Sale" signs located on the premises of specific properties for sale; and
 - (4) Small "spot" classified advertising by a single franchised licensee.
- (K) Advertising by a licensee referring generally to membership in any real estate multiple listing service operation shall specify the complete name of the listing service in which membership is held, except in the following categories of advertising:
- (5) "For Sale" signs located on the premises of specific properties for sale;
 - (6) Small "spot" classified advertising by a single licensee;
 - (7) Business cards; and
 - (8) Business signs.
- (L) Any advertising that contains an offer for a home warranty contract shall specify the essential terms of the home warranty contract offer and shall also indicate whether the warranty offer is mandatory. Essential home warranty terms are limited to components/structure in an inspection warranty and to components only in the case of a non-inspection warranty. Advertising shall comply with all Federal and State warranty

legislation, including the Magnuson-Moss Warranty Act, P.L. 93-63, 15 U.S.C. § 2301, et seq.

- (M) A licensee may not advertise or distribute promotional material offering rebates or discounts including, but not limited to, discount plans or coupons redeemable for the discounted purchase of goods or services, if such advertisement or promotional material creates a likelihood of confusion or misunderstanding, or is false, deceptive or misleading to the reasonable person. Every advertisement or piece of promotional material shall clearly and completely disclose to the consumer all material terms and conditions of the offering.
- (N) All licensees shall adhere to truth in lending requirements and shall not participate in paying of seller's costs or any payments to reduce interest costs.

SECTION 26. AGREEMENTS

- (A) No listing agreement or contract for the sale of real property, or any interest therein, shall contain a pre-printed fee, commission rate or commission amount.
- (B) Upon request, the principal broker shall advise the seller of the rate or amount of any commission split or distribution.
- (C) All listing agreements that list property with a real estate multiple listing service operation shall specify the complete name of that listing service.
- (D) No licensee shall enter into a "net listing" contract for the sale of real property, or any interest therein.
- (E) A listing agreement that provides for the principal broker's retention of any portion of the deposit monies upon default by the buyer shall specifically state such in large type or bold print in such a manner as to inform the seller of this contingency.

SECTION 27. APPRAISALS PROHIBITED

- (A) Licensed real estate brokers and real estate salespersons not certified or licensed as an appraiser pursuant to R.I. Gen. Laws § 5-20.7-1, et seq., are prohibited from describing or referring to any valuation of real estate as an appraisal.
- (B) A real estate salesperson or real estate broker licensed under R.I. Gen. Laws § 5-20.5-1, et seq., may provide his or her client with a Broker Price Opinion (BPO) or a Comparative Market Analysis (CMA) if he or she discloses that the BPO or CMA is not an appraisal that conforms to the standards adopted by USPAP and includes on the BPO or CMA the following disclaimer:

This opinion or analysis is not a certified appraisal or an appraisal that conforms to the Uniform Standards of Professional Appraisal Practice

(USPAP). It is intended only for the benefit of the addressee for the purpose of assisting buyers or sellers or prospective buyers or sellers in deciding the listing offering, or sale price of the real property and not for any other purpose, including but not limited to, lending purpose excepting that specifically provided under R.I. Gen. Laws § 5-20.7-3.

- (C) No person, other than persons licensed or certified in accordance with the provisions of R.I. Gen. Laws § 5-20.7-1, et seq., shall assume or use a title, designation, or abbreviation likely to create the impression of certification as a real estate appraiser by this state.
- (D) This section shall not apply to appraisals of real property carried out for the purpose of municipal valuation.

SECTION 28. ERRORS AND OMISSION INSURANCE

- (A) In accordance with R.I. Gen. Laws § 5-20.5-25, the Department establishes the following minimum requirements for coverage contained in a licensee's errors and omissions insurance policy:
- (1) In the case of an individual licensee, the insurance shall be in an amount for each claim of at least \$50,000 and in an aggregate amount of at least \$150,000.
- (2) In the case of a principal broker's blanket policy for his or her licensees, a brokerage, the minimum coverage shall be:
- (a) In an amount for each claim of at least \$50,000 multiplied by the number of individual licensees employed by or associated with the principal broker, and in an aggregate amount of at least \$150,000 multiplied by the number of individual licensees employed by or associated with the principal broker; or
- (b) In an amount sufficient to provide coverage at a level of at least \$300,000 for each claim with an aggregate top limit of liability for all claims of at least \$1,000,000 during any one year.
- (3) The insurance shall cover negligence, wrongful acts, and errors and omissions committed by the licensee. Where a principal broker's policy applies, the insurance shall only cover negligence, wrongful acts, and errors and omissions committed by the licensee while affiliated with the principal broker.
- (4) The insurance required by R.I. Gen. Laws § 5-20.5-25 may provide that it does not apply to any dishonest, fraudulent, criminal, or malicious act or omission of the insured licensee.

- (B) Cancellation or any other interruption in required insurance coverage shall require the licensee to cease any real estate activities requiring licensure immediately until such time as the licensee is in compliance with R.I. Gen. Laws § 5-20.5-25.
- (C) A licensee must notify the Department within five (5) business days if his or her insurance coverage is canceled or otherwise interrupted. Failure to provide the required notice to the Department shall subject the licensee to disciplinary action pursuant to R.I. Gen. Laws § 5-20.5-14.

SECTION 29. REAL ESTATE SCHOOLS AND INSTRUCTORS

- (A) All real estate school permits are valid for one (1) year and expire annually on August 31.
- (B) Courses are approved for a three (3) year period. Resubmission is required for re-approval for additional three-year periods.
- (C) Each authorized school must designate one individual as an authorized agent. The authorized agent shall:
 - (1) Maintain records documenting the attendance of individuals including the name of individuals, the dates on which the individuals attended the school and the date on which the individuals completed either the curriculum for licensure as a real estate broker or salesperson, the continuing education curriculum for licensed brokers and salespeople or the instructor curriculum;
 - (2) Notify the Board of any change in the address or telephone number of the authorized school or any change of the authorized agent within seven days of such change; and
 - (3) Ensure that only qualified instructors are permitted to teach the curriculum that contributes toward certification for licensure or continuing education.
- (D) Each authorized school shall maintain the record of each individual for at least three (3) years following the completion of the curriculum.
- (E) The Department may suspend, revoke, fine, or refuse to renew the permit of any school that fails to adhere to the laws pertaining to real estate licensure, this regulation, or a directive of the Department, including:
 - (1) Failure to maintain records as required by this section;
 - (2) Failure to notify the Department of any change of address or telephone number of the authorized agent;
 - (3) Failure to provide the Department with copies of or access to requested information;
 - (4) Failure to use the exact name of the authorized school on any postings, advertisements, solicitations, or any other medium of communication;
 - (5) Failure to have a qualified instructor, in accordance with Section 29(F), in the classroom with the individuals taking the course during the time that the course is provided;
 - (6) Obtaining a school permit by false pretenses or substantial misrepresentation or omission;
 - (7) Any misleading or untruthful advertising;

- (8) Discriminating against an individual based on any protected class designated in the Rhode Island Fair Housing Practices Act, Title 34, Chapter 37 of the Rhode Island General Laws;
- (9) Failing to provide the appropriate certification of completion to an individual completing the curriculum for licensure as a broker or salesperson or for continuing education;
- (10) Providing certification of completion to an individual who has not completed such curriculum;
- (11) Combining any part of the broker, salesperson, instructor, or continuing education curriculum into a single curriculum or offering; and
- (12) Failure to offer the curriculum for licensure and renewal established by the Department.

(F) Instructor Qualification.

- (1) No person may act as an instructor of the salesperson or broker curriculum in any authorized real estate school unless such person:
 - (a) Holds a real estate broker's license or salesperson's license in good standing in this state; and
 - (b) Attests that he or she has worked as a licensed real estate broker or salesperson for a minimum of five (5) years at least twenty-five (25) hours per week.
- (2) The Department may authorize any person to act as an instructor notwithstanding the requirements of this section if he or she demonstrates that he or she has the equivalent qualifications to those required by this section. Equivalent qualifications may include, but are not limited to, the following:
 - (a) Demonstrated knowledge in a particular subject matter (e.g., law, home inspection, accounting, lending, environmental issues);
 - (b) Appointment to the faculty of an accredited college or university; or
 - (c) Current teaching certificate with demonstrated real estate industry knowledge or experience.
- (3) Instructors may employ specialists to teach particular portions of the salesperson or broker curriculum and such specialists need not obtain authorization from the Department. Specialists may not be employed to teach the entire curriculum.

(G) Requirements for Course Approval.

- (1) Courses must consist of at least one (1) hour of instruction.
- (2) Courses must be taught by an instructor pre-qualified by the Department in accordance with Section 29(F).
- (3) Courses must substantially relate to the sale, purchase, or leasing of real estate.
- (4) Course materials and the instructor's resume must accompany the application for approval.
- (5) New or additional instructors for previously approved courses must be approved by the Department.

SECTION 30. CONTINUING EDUCATION

- (A) Prior to the renewal of any license, all licensees not specifically exempted by shall make a positive affirmation, either in writing or electronically, certifying under penalty of perjury to the Department that the licensee has attended and successfully completed during the preceding two (2) year period, twenty-four (24) clock hours of real estate oriented educational sessions or courses of instruction.
- (B) Only those courses previously approved by the Department in accordance with Section 29(G) may be taken to fulfill the requirements of this section.
- (C) This section applies to attorneys licensed by the Supreme Court of this state who obtained a real estate broker's license or real estate salesperson's license without examination pursuant to R.I. Gen. Laws § 5-20.5-4(d). Continuing legal education courses that substantially relate to the sale, purchase, or leasing of real estate may be used to satisfy the requirements of this section only upon prior approval of the course by the Department pursuant to Section 29(G).
- (D) At least six (6) of the twenty-four (24) clock hours must come from the following subject areas:
- (1) Rhode Island law defining relationships between licensees and consumers;
 - (2) Rhode Island law pertaining to real estate licensure;
 - (3) Rhode Island landlord-tenant law;
 - (4) The law of contracts;
 - (5) Federal, Rhode Island, and local law pertaining to fair housing and the treatment of any individual in a protected class as designated in the Rhode Island Fair Housing Practices Act, Title 34, Chapter 37 of the Rhode Island General Laws;
 - (6) Lead hazard mitigation or other environmental issues pertaining to real property;
 - (7) Local ordinances and regulations pertaining to residential real estate;
 - (8) Financing the purchase of real estate; or
 - (9) Ethical considerations in real estate transactions.
- (E) Completion of the requirements of this section is a condition precedent to the renewal of a license. A licensee's misrepresentation or false certification as to course attendance and completion shall subject the licensee to disciplinary action.

(F) Licenses who hold a valid license originally issued prior to December 12, 1984 are not required to take continuing education courses for purposes of license renewal.

SECTION 31. SUBSEQUENT STATUTORY CHANGES

Any changes in the Rhode Island General Laws pertaining to real estate licensure that affect the content, language or intent of this regulation will be deemed adopted by the Department on the date of implementation of the statutory change.

SECTION 32. SEVERABILITY

If any section, term, or provision of this regulation is adjudged invalid for any reason, all remaining sections, terms, and provisions shall remain in full force and effect.

SECTION 33. EFFECTIVE DATE

This regulation shall be effective as indicated below.

DATE FILED: December 13, 2001

EFFECTIVE DATE: January 2, 2002

AMENDED: June 3, 2002
June 23, 2002
July 8, 2004

EMERGENCY
AMENDMENT: February 24, 2006

REPEAL OF
EMERGENCY
AMENDMENT: February 24, 2006

AMENDED: April 24, 2006

EMERGENCY
AMENDMENT: February 4, 2008

AMENDED: [], 2009

BUYER:

Buyer's Name _____
Street Address _____
City, State, Zip Code _____
Work Phone _____
Home or Cell Phone _____

BUYER'S BROKER OR SALESPERSON (if any):

Licensee's Name _____
Street Address _____
City, State, Zip Code _____
Work Phone _____
Cell Phone (if known) _____
Principal Broker _____
E&O Insurance Carrier _____
E&O Policy Number _____
Federal Tax ID No. _____

Principal Broker's Signature _____ Date _____

Name of Principal Broker (Print or Type) _____ License Number _____

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
CLAIM FOR RETURN OF PROPERTY

AFFIDAVIT OF REAL ESTATE SALESPERSON OR BROKER TO OBTAIN DEPOSIT

Claim is hereby filed for a return of a Real Estate Escrow Deposit transmitted to the General Treasurer in accordance with R.I. Gen. Laws § 5-20.5-26 on _____ in the amount of \$ _____.
[Date of original transmittal] _____

Please remit the Real Estate Escrow Deposit to the following claimant(s) at the address below.

1. Name of Claimant: _____ SS# _____
Co-Claimant: _____ SS# _____
Present Address: _____

Telephone # _____

2. Property's address for which deposit was originally made: _____

Amount of Deposit: _____
Holder of Deposit: _____
Date of Deposit: _____

3. This claim is made by (please check appropriate line):
- A. Original owner of subject property
 - B. Under assignment of transfer
 - C. As guardian, executor, administrator of other representative
 - D. Under decree of distribution in probate proceeding
 - E. As heir or legatee per will (enclosed copy)
 - F. As heir and survivor when no will or probate proceedings were filed
 - G. Other (please specify and explain)

4. If claimant presents this claim as heir and survivor, complete the following:

<u>NAME</u>	<u>RELATIONSHIP</u>	<u>ADDRESS</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

(Continue on separate sheet, if necessary)

Each of the undersigned affiants (signatory), being duly sworn, deposes and states: That affiant(s) is/are the claimant(s) in the foregoing claim; that affiant(s) has read the foregoing claim and knows its contents; that the same is true of affiant's own knowledge; that the money or property involved has not been received by affiant(s); that affiant(s) of said claim and sole person(s) entitled to receive the property set forth in said claim; and that affiant(s) agree to indemnify and hold harmless the State of Rhode Island, its officers and employees, from any loss resulting from the payment of said claim.

Affiant
(Claimant's signature)

Affiant
(Claimant's signature)

Subscribed and sworn to before me this _____ day of _____ 20____

Notary Public

My commission expires _____

Please attach supporting documents.

Mail all completed forms to:

Unclaimed Property Division
P.O. Box 1435
Providence, Rhode Island 02901-1435

RELEASE

KNOW ALL MEN BY THESE PRESENTS, that I/We, _____,
residing at _____
in the city or town of _____ in the State of _____,
for and in consideration of payment of a Real Estate Escrow Deposit transmitted to the General Treasurer
of the State of Rhode Island pursuant to R.I. Gen. Laws § 5-20.5-26 of _____
dollars (\$ _____) to _____, the real estate broker (or his or her
successor) acting as claimant for the Real Estate Escrow Deposit, do hereby release and forever discharge
the General Treasurer and the State of Rhode Island and its agencies and their successors from all debts,
demands, actions, and liabilities whatsoever, arising out of or relating to the Real Estate Escrow Deposit
that I now or ever had against the General Treasurer and/or the State of Rhode Island.

In further consideration of the payment of the aforementioned sum, I hereby agree to indemnify and save
harmless the General Treasurer, the State of Rhode Island, its Agencies and successors from all claims or
demands of any other person or persons on the same account.

Sworn to before me this _____ day of _____ 20____

Notary Public _____ Claimant Signature

Claimant Signature

Mail all completed forms to:

Office of the General Treasurer
82 Smith Street
State House – Room 102
Providence, Rhode Island 02903

