

**Association of Illinois Real Estate Educators
Transition Update Conference – December 3, 2010**

New Education and Renewal Requirements

Fees

Transitioning licensees must transition to new license **AND** renew as shown below

Transition Fee (Must be completed by April 30, 2012)

Salesperson to Broker	\$125.00
Broker to Managing Broker	\$150.00

Renewal Fee

Broker April 30, 2012 renewal	\$150.00
Managing Broker April 30, 2013 renewal	\$200.00

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Transition Requirements for Current Licensees

Salesperson Licensees

Salesperson licensee **must** transition to Broker by **April 30, 2012** or lose real estate license

- Any salesperson that does not transition by that date must re-start the pre-license education/testing process in order to become licensed again
- Once transitioned to the broker license, the individual must then renew the broker license by April 30, 2012

Transition can be achieved through **Proficiency Examination** or **Transition Education**

- **Proficiency Examination** – Salesperson to Broker
 - One attempt only!
 - 50 multiple choice question examination
 - Created by Applied Measurement Professionals (AMP)
 - Administered by Illinois pre-license schools
 - Schools must follow guidelines for delivery and security established by AMP and IDFPR
 - Paper based examinations
 - ◆ purchased and paid for in advance by schools
 - ◆ mailed to AMP for grading – 2-3 weeks for results
 - Internet based examinations
 - ◆ purchased and paid for in advance by schools **or**
 - ◆ can be purchased individually using students credit card
 - ◆ graded electronically at conclusion of exam
 - Passing score is 75%
 - Only available through March 15, 2012
 - Exam has been delivered to a few hundred “pilot” testers”
 - Exam expected to be available to licensees soon after January 1, 2011
- **Transition Education** – Salesperson to Broker
 - 30 total credit-hours of education (same courses as new Broker Post-License courses)
 - 15 credit-hours may be completed in a classroom or through distance learning
 - 15 credit-hours must be completed in a classroom or through “interactive delivery method”
 - “Interactive delivery method” means “live instruction and real time discussion via satellite, video, online via webcam or similar communication that occurs between the instructor and students in real estate courses approved by the Real Estate Education Advisory Council.” (From definition in Proposed Rules)
 - Classes must include proctored final examination (created and administered by the school)
 - Must consist of at least 25 questions for each 15 hours
 - Minimum passing score is 75%
 - IDFPR is beginning to *conditionally* approve courses subject to approval of Proposed Rules
 - Courses will not be formally approved until adoption of Proposed Rules – late January is earliest date courses are expected to be available to students

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Transition Requirements for Current Licensees (continued)

Broker Licensees

Broker licensees are **not** required to transition to a new license

- A Broker may remain licensed as a Broker and simply renew the license by April 30, 2012
- **BUT**, effective May 1, 2012, any licensee acting as a self-sponsored broker or named a managing broker must hold a Managing Broker license or obtain the license within 90 days of being named managing broker

Proposed Rules (Section 1450.1120(b)) permit anyone licensed as a Broker and eligible to be a managing broker on April 30, 2011 to transition to the new Managing Broker license through either proficiency examination or transition education

- New 2-year experience requirement does not apply to Brokers transitioning to Managing Broker before May 1, 2012
- After transition period, full pre-license requirements will apply to Brokers applying for Managing Broker license (i.e., 45 hours pre-license education, national simulation/Illinois multiple choice exam, 2 year experience requirement)
- Full Managing Broker pre-license requirements are effective May 1, 2011 for anyone other than individuals who are licensed Brokers on April 30, 2011
 - Specifically note that a Salesperson cannot “transition” to Managing Broker

Once transitioned to the Managing Broker license, the individual must then renew the Managing Broker license by April 30, 2013

Transition can be achieved through **Proficiency Examination** or **Transition Education**

- **Proficiency Examination** – Broker to Managing Broker
 - One attempt only!
 - 70 multiple choice question examination
 - Created by Applied Measurement Professionals (AMP)
 - Administered by Illinois pre-license schools
 - Schools must follow guidelines for delivery and security established by AMP and IDFPR
 - Paper based examinations
 - ◆ purchased and paid for in advance by schools
 - ◆ mailed to AMP for grading – 2-3 weeks for results
 - Internet based examinations
 - ◆ purchased and paid for in advance by schools **or**
 - ◆ can be purchased individually using student’s credit card
 - ◆ graded electronically immediately upon completion of exam
 - Passing score is 75%
 - Only available through March 15, 2012
 - Exam has been delivered to a few hundred “pilot” testers”
 - Exam expected to be available to licensees soon after January 1, 2011

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Transition Requirements for Current Licensees (continued)

Broker Licensees (continued)

- **Transition Education – Broker to Managing Broker**
 - 45 total credit-hours of education (same courses as new Managing Broker Pre-License courses)
 - 30 credit-hours may be completed in a classroom or through distance learning
 - 15 credit-hours must be completed in a classroom or through “interactive delivery method”
 - “Interactive delivery method” means “live instruction and real time discussion via satellite, video, online via webcam or similar communication that occurs between the instructor and students in real estate courses approved by the Real Estate Education Advisory Council.” (From definition in Proposed Rules)
 - Classes must include proctored final examination (created and administered by the school)
 - Must consist of at least 25 questions for each 15 hours
 - Minimum passing score is 75%
 - IDFPR is beginning to *conditionally* approve courses subject to approval of Proposed Rules
 - Courses will not be formally approved until adoption of Proposed Rules – late January is earliest date courses are expected to be available to students

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Renewal Education Requirements

Requirements differ based on how and if a licensee accomplished transition

Broker by transition from Salesperson

- Renewal April 30, 2012
 - If licensee transitioned through **Proficiency Examination**:
 - 18 Credit-Hours of Continuing Education
 - If licensee transitioned through **Transition Education**:
 - No Continuing Education Required
- Renewals April 30, 2014 and later
 - 12 Credit-Hours of Continuing Education

Broker licensed prior to 5/1/2011 (not transitioning to Managing Broker)

- Renewal April 30, 2012
 - 12 Credit-Hours of Continuing Education
- Renewals April 30, 2014 and later
 - 12 Credit-Hours of Continuing Education

Broker newly licensed by Licensing Examination after 4/30/2011 (not by transition)

- First renewal (Exempt if licensed within less than 90 days of renewal)
 - 30 Hour Post License Education by first renewal (Replaces Continuing Education)
- All future renewals
 - 12 Credit-Hours of Continuing Education

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Renewal Education Requirements (continued)

Requirements differ based on how and if a licensee accomplished transition

Managing Broker by transition from Broker

- Renewal April 30, 2013
 - If licensee transitioned through **Proficiency Examination**:
 - 18 Credit-Hours of Continuing Education **AND**
 - 12 Hours Broker Management CE
 - ◆ *Broker Management CE must be through classroom or other interactive delivery method*
 - If licensee transitioned through **Transition Education**:
 - 18 Credit-Hours of Continuing Education
- Renewals April 30, 2015 and later
 - 12 Credit-Hours of Continuing Education
 - 12 Credit-Hours Broker Management CE
 - *Broker Management CE must be through classroom or other interactive delivery method*

Managing Broker by Licensing Examination (not by transition)

- First renewal (Exempt if licensed within less than 90 days of renewal)
 - 12 Credit-Hours of Continuing Education
 - 12 Hours Broker Management CE
 - *Broker Management CE must be through classroom or other interactive delivery method*
- All future renewals
 - 12 Credit-Hours of Continuing Education
 - 12 Credit-Hours Broker Management CE
 - *Broker Management CE must be through classroom or other interactive delivery method*

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New Pre-License Education Requirements

Broker Pre-License Education and Testing

Effective May 1, 2011, individuals applying for a Broker license must satisfy the following requirements:

- Successfully complete a total of 90 credit-hours of pre-license education
 - 75 credit hour course in the classroom or through distance learning
 - The course shall include, but not be limited to, the following topics:
 - ◆ Introduction to License Law
 - ◆ Real Property
 - ◆ State and Federal Law
 - ◆ Real Estate Transactions
 - ◆ Real Estate Career Paths
 - Pre-license schools may choose whether to apply hours from coursework completed by April 30, 2011 toward the 75 credit-hour requirement
 - ◆ 45 hour salesperson courses
 - ◆ 15 hour broker courses
 - 15 credit hour Applied Real Estate Principles course presented in the classroom or through interactive delivery method
 - “Interactive delivery method” means “live instruction and real time discussion via satellite, video, online via webcam or similar communication that occurs between the instructor and students in real estate courses approved by the Real Estate Education Advisory Council.” (From definition in Proposed Rules)
 - The course shall consist of any or a combination of the following:
 - ◆ Situational and Case Studies
 - ◆ Role Playing
 - ◆ Demonstration of Real Estate Activities
 - ◆ All of these methods shall primarily deal with application of the topics covered in the 75 credit-hour course
 - No coursework completed prior to May 1, 2011 under old rules may be applied toward this 15 credit-hour requirement
 - Classes must include proctored final examination (created and administered by the school)
 - Must consist of at least 25 questions for each 15 hours
 - Minimum passing score is 75%
 - Exam may be given at completion of each 15 classroom hours or at conclusion of course
 - Pre-license school shall indicate in registration material if examination will be provided electronically, or in paper format, or both

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New Pre-License Education Requirements (continued)

Broker Pre-License Education and Testing (continued)

- Successfully pass the IDFP's designated testing service's broker examination
 - 100 "national" multiple choice questions
 - 40 Illinois multiple choice questions
 - Each individual has 4 attempts to pass exam before being required to repeat education
 - Educational transcripts are good for 4 years
 - This is the same exam currently administered to Salesperson applicants
 - Note that the final Salesperson exam will be administered on March 15, 2011
 - The new Broker exam is expected to be administered beginning within a few days after May 1, 2011

Broker Post-License Education

Brokers first licensed after April 30, 2011 must satisfy the following education requirements prior to their first renewal of the Broker license:

- Successfully complete a total of 30 credit-hours of post-license education
 - 15 credit hour course in the classroom or through distance learning
 - The course shall cover the following topics:
 - ◆ License Law
 - ◆ State/Federal Laws and Agency
 - ◆ Real Estate Transactions
 - 15 credit hour Applied Real Estate Practices course presented in the classroom or through interactive delivery method
 - "Interactive delivery method" means "live instruction and real time discussion via satellite, video, online via webcam or similar communication that occurs between the instructor and students in real estate courses approved by the Real Estate Education Advisory Council." (From definition in Proposed Rules)
 - The course shall consist of any or a combination of the following:
 - ◆ Situational and Case Studies
 - ◆ Role Playing
 - ◆ Demonstration of Real Estate Activities
 - ◆ All of these methods shall primarily deal with application of the topics covered in the 15 credit-hour course
 - Classes must include proctored final examination (created and administered by the school)
 - Must consist of at least 25 questions for each 15 hours
 - Minimum passing score is 75%
 - Pre-license school shall indicate in registration material if examination will be provided electronically, or in paper format, or both
- Completion of the 30 credit-hour post-license education will satisfy any continuing education requirements for that renewal period

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New Pre-License Education Requirements (continued)

Managing Broker Pre-License Education and Testing

Effective May 1, 2011, individuals applying for a Managing Broker license must satisfy the following requirements:

- Successfully complete a total of 165 credit-hours of pre-license education
 - 90 credit-hours of pre-license education described above
 - 30 credit-hours of post-license education described above
 - 30 credit-hour course in the classroom or through distance learning
 - The course shall cover the following topics:
 - ◆ Licensing
 - ◆ Operations
 - ◆ Escrow
 - ◆ Management
 - 15 credit hour Applied Management and Supervision course presented in the classroom or through interactive delivery method consisting of Situational and Case Studies
 - “Interactive delivery method” means “live instruction and real time discussion via satellite, video, online via webcam or similar communication that occurs between the instructor and students in real estate courses approved by the Real Estate Education Advisory Council.” (From definition in Proposed Rules)
 - The course shall consist of any combination of the following:
 - ◆ Dispute Resolution Simulations
 - ◆ Supervision Simulations
 - ◆ Escrow and Discipline Case Studies
 - ◆ All of these methods shall primarily deal with application of the topics covered in the 30 credit-hour managing broker pre-license course to the application of real estate brokerage
 - Proposed Rules provide that the Advisory Council shall consider and may approve courses that incorporate various real estate brokerage disciplines in order to make courses “more pertinent and helpful to licensees engaged in various disciplines of the real estate brokerage industry”
 - ◆ For example, specific courses covering commercial brokerage
 - Classes must include proctored final examination (created and administered by the school)
 - Must consist of at least 25 questions for each 15 hours
 - Minimum passing score is 75%
 - Exam may be given at completion of each 15 classroom hours or at conclusion of course
 - Pre-license school shall indicate in registration material if examination will be provided electronically, or in paper format, or both

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New Pre-License Education Requirements (continued)

Managing Broker Pre-License Education and Testing (continued)

- Successfully pass the IDFPR's designated testing service's broker examination
 - 8 national "Simulation" problems
 - 40 Illinois multiple choice questions
 - Each individual has 4 attempts to pass before being required to repeat education
 - Educational transcripts are good for 4 years
 - This is the same exam currently administered to Broker applicants
 - Note that the final administration of this exam to Broker applicants will be on April 29, 2011
 - The exam is expected to be administered to Managing Broker applicants beginning within a few days after May 1, 2011

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Other Education Issues

Continuing Education Course Approvals

- Continuing education course requirements have not changed and all course licenses remain valid through their stated expiration dates
- If at any point the IDFPR issues a new outline for Core A, existing courses would be valid until expiration
- There is an expectation by the IDFPR that any information included in a currently licensed CE course has been or will be updated by the provider to correspond to the current law and rules
- New 12 credit-hour Broker Management course not yet available
- Existing 6 credit-hour Broker Management course satisfies late 2010 CE requirement

Pre-License Instructor Qualification Requirements

Proposed Rules (Section 1450.1115) provide three requirements to become a new pre-license instructor:

- Attend and complete a 2-day, 12-hour instructor training program approved by the Education Advisory Council
 - 6 hours of instructor training and development
 - 6 hours covering core content of pre-license classes to be taught
 - This training program requirement becomes effective May 1, 2011
- Pass an examination provided and approved by IDFPR with a minimum score of 75%
 - This will continue to be in the format of the current instructor exam
- Demonstrate expertise in the areas to be taught by virtue of any of the following:
 - Being a Broker or Managing Broker
 - Being admitted as an Illinois lawyer
 - Prior teaching experience
 - Professional background and experience

Pre-License Instructor Renewal Requirements

Proposed Rules (Sections 1450.1115 and 1450.1125) provide renewal requirements for pre-license instructors:

- Licenses continue to expire on June 30 of each odd numbered year
- Experience or Training:
 - Either have taught at least **one** pre-license course during the period of licensure, **OR**
 - Successfully complete an instructor training program approved by the Education Advisory Council
 - The 12 hour instructor training program described above satisfies the requirement
 - The 6 hour instructor training and development portion of the 12 hour program will also satisfy the requirement
 - AIREE will continue to submit its own 6 hour program for approval each renewal year

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Other Education Issues (continued)

Continuing Education Instructor Qualification Requirements

Proposed Rules (Section 1450.1145) provide the requirements to become a new continuing education instructor:

- Attend and complete a 1-day, 6-hour development course
 - This may be the same as the 6 hours of instructor training and development described above
 - Completion of the 12 hour program described above will also satisfy the requirement
- Individuals may be issued a “restricted” CE instructor license that permits teaching only certain CE courses if the individual does not satisfy specifically listed qualifications

Continuing Education Instructor Renewal Requirements

Proposed Rules (Section 1450.1150) provide renewal requirements for continuing education instructors:

- Licenses continue to expire on June 30 of each even numbered year
- Experience or Training:
 - Either have taught at least **two** continuing education courses during the period of licensure, **OR**
 - Successfully complete an instructor training program approved by the Education Advisory Council
 - The 12 hour instructor training program described above satisfies the requirement
 - The 6 hour instructor training and development portion of the 12 hour program will also satisfy the requirement
 - AIREE will continue to submit its own 6 hour program for approval each renewal year