



Oregon

Tina Kotek, Governor

AGENDA ITEM NO.

I.C.

Notice of Agency
OREGON REAL ESTATE BOARD
Regular Meeting Agenda
Salem, OR
October 6, 2025

Real Estate Agency
530 Center St. NE, Suite 100
Salem, Oregon 97301-2505
Phone: (503) 378-4170
www.oregon.gov/rea

- I. BOARD BUSINESS - Chair Warren**
 - A. Call to Order
 - B. Chair Warren comments/Roll Call
 - C. Approval of the Agenda and Order of Business
 - D. Approval of 08.04.25, regular meeting minutes
 - E. Date of the Next Meeting: 12.01.25 to begin at 10am, Location: Online
- II. PUBLIC COMMENT - Chair Warren**
 - This time is set aside for persons wishing to address the Board on matters not on the agenda. Speakers will be limited to five minutes.
 - The Board Chair reserves the right to further limit or exclude repetitious or irrelevant presentations. If written material is included, 12 copies of all information to be distributed to board members should be given to the Board Liaison prior to the meeting.
 - Action will not be taken at this meeting on citizen comments. The Board, however, after hearing from interested citizens, may place items on a future agenda so proper notice may be given to all interested parties.
 - If no one wishes to comment, the next scheduled agenda item will be considered.
- III. REQUESTS FOR WAIVERS - Chair Warren Waiver request log.**
 - A. None
- IV. PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER - Chair Warren.**
 - A. Sunland Real Estate Education
- V. BOARD ADVICE/ACTION - Commissioner Strode**
 - A. LARRC Outline
- VI. NEW BUSINESS - Commissioner Strode**
 - A. HB 3137 Rulemaking
- VII. ADMINISTRATIVE ACTIONS SUMMARY - Chair Warren**
- VIII. REPORTS – Chair Warren**
 - A. Commissioner Strode
 - B. Agency division reports-Deputy Commissioner Higley
 1. Regulation Division – Deputy Commissioner Higley
 2. Compliance Division – Liz Hayes
 3. Land Development Division – Michael Hanifin
 4. Licensing Division – Nenah Darville
 5. Administrative Services Division – Reba Dunnington
 6. Communications – Mesheal Tracy
- IX. ANNOUNCEMENTS – Chair Warren.** Next board meeting: 12.01.25 to begin at 10am, Online
- X. ADJOURNMENT – Chair Warren**

Interpreter services, auxiliary aids for persons with disabilities, and access to attend remotely by videoconference are available upon advance request.



Oregon

Tina Kotek, Governor

AGENDA ITEM NO.

I.D.

OREGON REAL ESTATE BOARD

Regular Meeting Minutes
Pendleton, OR
August 4, 2025
10:00 a.m.

Real Estate Agency

775 Summer St. NE, Suite 330
Salem, Oregon 97301-1283
Phone: (503) 378-4170
www.oregon.gov/rea

BOARD MEMBERS PRESENT:

Michael Warren
Jessenia Juarez
Stacy Ellingson
James Komro
Debra Neal
Tom Tapia
LaTasha Beal
Dawn Duerksen (remote)

BOARD MEMBERS ABSENT:

Jose Gonzalez

OREA STAFF PRESENT:

Steve Strode, Commissioner
Elli Kataura, Regulation Division Manager
Liz Hayes, Compliance Division Manager
Michael Hanifin, Land Development Division Manager
Reba Dunnington, Administrative Services Division Manager

I. BOARD BUSINESS – Chair Warren

- A. Call to Order
- B. Chair Warren comments/Roll Call
- C. Approval of the Agenda and Order of Business

MOTION TO APPROVE 08.04.2025 REGULAR MEETING AGENDA AS MODIFIED BY STACY ELLINGSON

SECONDED BY TOM TAPIA

MOTION CARRIED BY UNANIMOUS VOTE

- D. Approval of 06.02.25, regular meeting minutes

MOTION TO APPROVE 06.02.25 REGULAR MEETING MINUTES AS SUBMITTED BY DEBRA NEAL

SECONDED BY TOM TAPIA

MOTION CARRIED BY UNANIMOUS VOTE

- E. Date of the Next Meeting: 10.06.25 to begin at 10am, Location: Salem

II. PUBLIC COMMENT – Chair Warren

- A. None

III. REQUESTS FOR WAIVERS – Chair Warren

- A. Lisa O'Bannon

CHAIR WARREN CALLED FOR A VOTE

MOTION CARRIED BY YEAS (5), NAYS (3)

IV. PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER –Chair Warren

- A. America's Preferred Home Warranty, Inc

MOTION TO APPROVE AMERICA'S PREFERRED HOME WARRANTY AS SUBMITTED BY STACY ELLINGSON

SECONDED BY TOM TAPIA

MOTION CARRIED BY UNANIMOUS VOTE



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V. BOARD ADVICE/ACTION - Commissioner Strode

A. Fair Housing Course Outline - for vote approval

MOTION TO APPROVE FAIR HOUSING COURSE OUTLINE AS SUBMITTED BY JESSENIA JUAREZ

SECONDED BY DEBRA NEAL

B. LARRC – for advice

VI. NEW BUSINESS - Commissioner Strode

A. Rulemaking Timeline

B. Timeshare Sales Agency Examination & Course Outline Development Timeline

VII. COMMUNICATIONS - ADMINISTRATIVE ACTIONS SUMMARY – Chair Warren

VII. REPORTS – Chair Warren

A. Commissioner Strode

B. Agency division reports-Commissioner Strode

1. Regulation Division – Elli Kataura
2. Compliance Division – Liz Hayes
3. Land Development Division – Michael Hanifin
4. Licensing Division – Nenah Darville
5. Administrative Services Division – Reba Dunnington

VIII. ANNOUNCEMENTS – Chair Warren Next board meeting: 10.06.25 to begin at 10am, Salem

IX. ADJOURNMENT – Chair Warren



PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER

Rev. 3/2022

AGENDA ITEM NO.

IV.A.

INSTRUCTIONS

To petition the Real Estate Board for approval of qualifications to become an applicant for certification as a continuing education provider, the petitioner must complete this form and submit it by e-mail to nenah.y.darville@rea.oregon.gov a least 21 days before the next scheduled Board meeting at which the applicant wishes the Board to act.

IMPORTANT:

- If the petitioner is an entity, the information provided must pertain to that entity. If the petitioner is an individual, the information provided must pertain to that individual.
- All information and documents submitted as part of this petition become part of the Board Packet, and therefore, public record.
- Petitioners will need to appear before the Board. This may be done in person or by phone. Once the Agency receives this completed petition, a letter will be sent to the petitioner with the date of the Board meeting the petitioner will need to attend.
- Please do not submit any class or course information as the Oregon Real Estate Agency Board is not able to review or consider this information.

If the Board approves this petition, the Agency will email a letter to the petitioner, confirming the Board's approval. The petitioner may then apply for certification as a continuing education provider under OAR 863-020-0030.

PETITIONER

Name Sunland Real Estate Education Phone Number 828-752-0248

Physical Address 135 Broad Street Address Cont. _____

City Asheville State NC Zip Code 28801 County Buncombe

E-mail info@sunlandree.com

Mailing Address (if different) _____ Address Cont. _____

City _____ State _____ Zip Code _____ County _____

AUTHORIZED CONTACT PERSON

Prefix _____ First Name Rosa Last Name Walden

Phone Number 828-752-0248 E-mail info@sunlandree.com

Indicate who will appear before the board on behalf of the Petitioner: Rosa Walden

AGENCY USE ONLY

Approved by Board YES NO

Review Date _____

PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER, Continued

QUALIFICATION INFORMATION

Provide below sufficient information about the petitioner to allow the Board to determine whether the petitioner qualifies for certification. **If the petitioner is an entity, the information provided must pertain to that entity. If the petitioner is an individual, the information provided must pertain to that individual.**

Information **MUST** include one or both of the following:

- Petitioner's demonstrated expertise and experience in providing educational courses to real estate licensees.
- Petitioner's demonstrated experience and expertise in two or more course topics eligible for continuing education credit under OAR 863-020-0035.

You may attach up to **three (3)** additional pages if necessary.

Founded by seasoned real estate investor Jim Hitt, Sunland Real Estate Education is a nationally focused provider of high-quality continuing education for licensed real estate professionals. With over 40 years of hands-on experience in real estate investing, Jim Hitt established Sunland with a mission to elevate the standards of real estate education across the United States. Sunland is committed to delivering accessible, engaging, and up-to-date training that empowers licensees to stay compliant and competitive in a rapidly evolving industry. The company's curriculum is designed to meet state-specific requirements while also fostering a deeper understanding of market trends, legal updates, and ethical practices. Looking ahead, Sunland aims to expand its offerings to include innovative training programs for real estate licensees to learn the ins and outs of traditional and non-traditional methods of real estate investing while staying compliant with state-specific laws and federal mandates. Specifically, the provider would like to one day offer education on how to leverage self-directed IRAs as a strategic investment tool and provide licensees education on how to advise their clients who may utilize self-directed IRAs as a funding source for their real estate purchases. This forward-thinking approach reflects Sunland's dedication to not only supporting professionals in maintaining their licenses but also helping them grow their own portfolios, as well as advising their real estate investor clients on how to grow theirs. Sunland Real Estate Education is coordinated by Rosa Walden, a licensed North Carolina Real Estate Broker with over 5 years in real estate brokerage experience. License #315043. With a foundation built on integrity, innovation, and a combined 45 years of experience amongst its members, Sunland Real Estate Education looks forward to becoming a trusted partner to provide continuing education to real estate licensees in Oregon.

PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER, Continued

AUTHORIZATION AND ATTESTATION

- I hereby certify that I am authorized to submit this form on behalf of the petitioner and that the information is true and accurate, to the best of my knowledge.
- I certify that petitioner, or authorized individual on petitioner's behalf, has read, understands and is ready to comply with the statutory and administrative rule provisions applicable to certified continuing education providers.
- I attest that petitioner knows and understands the responsibilities of a certified continuing education provider under OAR 863-020-0050.
- I attest that petitioner knows and understands the requirements of an instructor under ORS 696.186 and the information required on a continuing education instructor qualification form under OAR 863-020-0060.

I UNDERSTAND:

	Initials	Date Completed	Agency Use Only
I will complete the Continuing Education Provider Application and will pay the \$300 fee upon Board approval.	<i>RW</i>	08/21/2025	ND
I understand the requirements of an education provider as outlined in Oregon Administrative Rules (OAR) Chapter 863, Division 20.	<i>RW</i>	08/21/2025	ND
Petitioner has demonstrated their experience and expertise in two or more course topics eligible for continuing education credit as listed in OAR 863-020-0035.	<i>RW</i>	08/21/2025	ND
Petitioner has demonstrated their experience in providing educational courses to real estate licensees.	<i>RW</i>	08/21/2025	ND

Rosa Walden

Date: 08/21/2025

Printed Name of Authorized Individual

Rosa Walden
Signature of Authorized Individual

Reset

Print Form



Law and Rule Required Course 2026-2027

For courses offered January 1, 2026, to December 31, 2027

OVERVIEW

This document provides the course content for the 2-hour Law and Rule Required Course (LARRC) approved by the Oregon Real Estate Board. All real estate licensees must take and complete LARRC from a certified continuing education provider to meet the requirement to take a 2-hour continuing education course on recent changes in real estate rule and law found in ORS696.174.

This document will be posted on the Oregon Real Estate Agency's website at www.oregon.gov/rea.

HOW TO OFFER LARRC

A Certified Continuing Education Provider must meet all the [requirements and responsibilities of a LARRC provider](#), including:

- Notifying the Oregon Real Estate Agency by logging in to your eLicense account if you have not done so before.
- Developing your LARRC course using this document.
 - Use the written learning objectives for the required course topics.
 - Write your own learning objectives for the optional topics that you may choose to include in your LARRC course.
- Ensuring that your LARRC course will take each licensee a minimum of 2 hours to complete. A break of no more than 10 minutes per hour of instruction may be allowed.
- Making sure your advertising and certificates of attendance indicate name of the course as the "Law and Rule Required Course 2026-2027." You may also use the abbreviation "LARRC 2026-2027."
- Confirming that you have a completed and signed [Continuing Education Instructor Qualification Form](#) for each instructor teaching the course.
- Maintaining records as required in [OAR 863-020-0055](#).

COURSE CONTENT

The LARRC course content approved by the Oregon Real Estate Board has required course topics and optional course topics.

Required topics

The required topics were developed from changes made to Oregon Revised Statutes Chapter 696 and Oregon Administrative Rules Chapter 863, as well as input from the Board, Oregon Real Estate Agency staff, and other stakeholders. Learning objectives have been provided.

Optional topics

The optional topics were compiled from legislation passed in the 2024 and 2025 sessions that the Board determined may have an effect on real estate licensees in Oregon. Additionally, other topics may be added that the Board feels may benefit real estate licensees. The topics were developed with input from the Board, Oregon Real Estate Agency staff, and other stakeholders.

Each continuing education provider is responsible for making sure that learning objectives are developed for each of the optional topics that the provider chooses to include.

Special Interest LARRC Classes

Certified continuing education providers may offer LARRC classes aimed at a specific type of licensee. Such classes must contain the required course topics but may focus on optional topics approved by the Board that have a particular interest to licensees who manage rental real estate or are responsible for Registered Business Names.

There is no requirement to offer such a course; the decision to offer a special interest LARRC course would be a business decision made by the provider.

A provider who chooses to create such a class must still name it on advertising and the certificates of attendance as “Law and Rule Required Course 2026-2027.”

Law and Rule Required Course (LARRC)

Required Topics

Effective January 1, 2026, through December 31, 2027

[House Bill 2373](#)

Overview:

House Bill 2373 passed in 2025 and goes into effect January 1, 2026. This bill amends ORS 696 adding a new license specifically for timeshare real estate sales, distinct from existing real estate licenses. It includes provisions for licensing and supervisory requirements.

Learning Objectives:

Upon completion of this course the licensee will be able to:

- Define the role and responsibilities of a timeshare sales agent.
- Recognize the key licensing requirement of a timeshare sales agent, including:
 - Pre-licensing instruction of 14 hours.
 - Applicants must be at least 18 years old, pass a background check and complete an examination specific to timeshare sales, and pay an application fee.
 - Timeshare sales agents must renew their license every two years.
 - No continuing education, including the law and rule required course, is required at time of renewal.
- Identify the distinction between a timeshare sales agent license and a principal broker and broker license, including:
 - Timeshare sales agents are restricted to the timeshare sales only.
 - Brokers and principal brokers may continue to conduct timeshare sales.
 - Three years' experience as a timeshare sales agent does not meet the experience requirements to become a principal broker.
- Recognize that principal brokers are required to supervise all timeshare sales agents.
- Recall the exemption to timeshare licensing requirements as described in ORS 696.030(30) and (31).

[House Bill 4058](#)

Overview:

House Bill 4058 passed in 2024 and is currently in effect. Found in Oregon Laws 2024, Chapter 3, this bill regulates residential property wholesaling by requiring individuals who market and assign contracts for residential properties -without holding legal title- to register with the Oregon Real Estate Agency and meet disclosure requirements. This bill also introduces the mandatory written buyer representation agreement and restrictions on future right to list contracts.

Learning Objectives:

Upon completion of this course the licensee will be able to:

Wholesaling:

- Define Residential Property Wholesaling.

- Locate wholesaling rules in Oregon Administrative Rule 863 Division 17.
- Recall the registration requirements for individuals who are not already holding an Oregon real estate license, including:
 - The registrant must be 18 years or older, pass a background check, and pay a registration fee.
 - Certification that the registrant has a high school diploma or acceptable equivalent.
 - A list of all the business names used in conducting wholesaling activity, with evidence that all business names are authorized to do business in the state and registered with the Oregon Secretary of State.
- Recognize that registered wholesalers are required to renew annually.
- Recall the exemption to residential property wholesaling as described in Oregon Laws 2024, Chapter 3, Section 2.
- Locate required residential property wholesaler disclosures on the Agency website.
- Explain the requirements for written disclosure to all parties involved in a residential property wholesaling transactions, including disclosures to potential sellers, potential buyers, real estate agents, and in all advertising. Written disclosure must:
 - Be in writing, in 10-point bold type.
 - At minimum state the individual is a residential wholesaler, has only equitable interest in the property, does not hold legal title, and may not be a licensed broker.
 - Describe buyer and seller cancellation and termination rights.
- Recall that an Escrow agent may disburse earnest money or other deposits to the seller without the need for separate written instructions from the registered wholesaler if the wholesaler fails to provide disclosures to the seller before entering into the written contract.
- Recall that the registered wholesaler shall be liable for damages incurred by the buyer or seller if the wholesaler fails to provide written disclosure and the purchase and sales agreement is terminated as a result.
- Recall the Agency's right to investigate and discipline registrants and licensees for violations of wholesaling law and rule.
- Find where to look-up a residential property wholesaler on the Agency website.

Representation Agreements:

- Define Representation Agreement.
- Identify the requirements of a listing agreement, including:
 - An expiration date and the licensee's license number.
 - The name and contact information, including the phone number, of the principal broker responsible for the supervision of the broker.
 - State if the agreement is exclusive or nonexclusive.
 - Prohibited from subjecting the seller to the payment of two or more commissions for one sale if the seller lists the property with a subsequent broker or principal broker after the listing agreement expires or is terminated by mutual agreement.
 - Describe the legal obligations of a seller's agent as described in ORS 696.820.
 - May not enter into a listing agreement if the duration of the listing agreement exceeds 24 months.
 - Must be entered into before a real estate licensee begins efforts to find a buyer.
- Identify the requirements of a buyer representation agreement, including:
 - The term of the agreement including the effective date and expiration date and the licensee's license number.
 - The name and contact information, including the phone number, of the principal broker responsible for the supervision of the broker.
 - The buyers general search criteria.

- An explanation on how the buyer's agent may be compensated.
- State if the agreement is exclusive or nonexclusive.
- Termination rights provisions for both the buyer and the licensee.
- Describe the legal obligations of a seller's agent as described in ORS 696.820.
- May not enter into a representation agreement if the duration of the agreement exceeds 24 months.
- Must be entered into before or as soon as reasonably practicable after, the licensee has commenced efforts to assist a buyer in purchasing real property.
- Identify what representation agreements are required when licensee is a disclosed limited agent.

Future Right to List:

- Define "future right to list contract."
- Identify "future right to list" restrictions.

[House Bill 3137](#)

Overview:

House Bill 3137 passed in 2025 and goes into effect January 1, 2026. This bill establishes a formal designation of "managing principal broker" responsible for maintaining the registered business name in the Agency's database. The bill mandates written supervisory agreements that include supervisory and control plans as well as succession planning. It also updates continuing education requirements, allows commission sharing with a nonprofit organization, introduces proficiency assessments for first active renewals, and formalizes disclosure requirements and rules for real estate teams.

Learning Objectives:

Upon completion of this course the licensee will be able to:

- Explain and define managing principal broker, principal broker, and broker. Recognizing that:
 - Only one managing principal broker identified per registered business name (RBN).
 - The managing principal broker is responsible for maintaining the RBN in eLicense.
 - Managing principal brokers hold a principal broker license.

Supervisory Agreements

- Define supervisory agreement and identify when a supervisory agreement is required.
- Recognize that only a managing principal broker or principal broker with a written supervisory agreement permitting the principal broker to supervise licensees may control or supervise a main office, branch office or portions of an office.
- Identify the Intracompany supervision and control requirements described in ORS 696.310. The supervisory agreement must include the following provisions:
 - If a principal broker, other than the managing principal broker, is responsible for the supervision of any associated broker, a written supervisory agreement between the managing principal broker and the principal broker accepting responsibility must be executed.
 - Succession planning is required to address scenarios where the managing principal broker becomes deceased or incapacitated or their license becomes inactive, expired, or associated with a different RBN.
 - Expressly state that the managing principal broker's responsibility for professional real estate activities of all real estate licensees associated with the RBN may not be limited by the supervisory agreement.

- Recall the managing principal broker's supervision and control requirements include the management of:
 - Professional real estate activities for all associates.
 - Use of all disclosure forms and contracts.
 - Document filing and storage.
 - Handling of client trust account funds.
 - Unlicensed assistants by associate brokers.
 - Education of associated brokers on federal, state and local laws relating to the practice of real estate.
 - Reviewing and inspecting documents that may have a material effect on the rights or obligations of a party to a transaction.
 - Ensuring all licensees associated with RBN hold an active real estate license before conducting any professional real estate activity.
- Recall that the managing principal broker may allocate some or all of their supervisory control to another principal broker(s), associated with the same RBN, under a written supervisory agreement.
- Recall that the managing principal broker is responsible for establishing a system for monitoring compliance of their associated brokers with statutes, rules, and the brokerage's policies, procedures and systems.
- Recognize that the managing principal broker is responsible for the acts of all associated brokers related to professional real estate activities while associated with the RBN.
- Recognize that failing to exercise reasonable supervision and control over the activities of associated licensees is grounds for discipline for managing principal brokers.

Continuing Education/Proficiency Assessment

- Recognize that to renew an active license or to reactivate a license for the first time since the licensee was renewed to an inactive status, a real estate licensee must complete 30 hours continuing education; at least 2 hours must be the Law and Rule Required Course (LARRC), and 2 hours must be on state and federal fair housing. Course learning objectives must be approved by the Real Estate Board.
- Recall that to renew an active license for the first time or to reactivate a license for the first time since the licensee renewed to an inactive status, a real estate licensee shall pass a proficiency assessment as part of the respective advanced practices course.

Real Estate Teams

- Define real estate teams.
- Identify the requirements of working in a real estate team, including:
 - A real estate team is a subdivision of the RBN in which they are associated. Advertising cannot state or imply that the real estate team is a separate legal entity from the RBN.
 - The managing principal broker must approve the use of a team.
 - Disclosure requirements before entering into a written representation or listing agreement.
 - Supervisory requirements.
 - Disclosed limited agency requirements.
- Recognize the advertising requirements for real estate teams as described in OAR 863-015-0125.

Commission Sharing

- Recall that a real estate licensee may share their compensation arising from a real estate transaction with a charitable organization that is tax exempt under section 501(c)(3) of the Internal Revenue Code.

[House Bill 3522](#)

Overview:

Oregon House Bill 3522 created a legal pathway for property owners to remove unauthorized occupants- commonly referred to as squatters- by providing a 24-hour written notice to vacate. Streamlining the process for reclaiming property and ensure legal clarity for landlords dealing with unauthorized occupancy.

Learning Objectives:

Upon completion of this course the licensee will be able to:

- Recall that Oregon law provides a statutory pathway for landlords to remove unauthorized occupants through a 24-hour notice process and should be prepared to refer clients to legal counsel as appropriate.

[Senate Bill 586](#)

Overview:

Senate Bill 586 allows landlords selling a rental unit to a buyer intending to reside there to offer the tenant one-month rent payment in exchange for reducing the notice period from 90 days to 60 days.

Learning Objectives:

Upon completion of this course the licensee will be able to:

- Recall this new option for allowing landlords to shorten the statutory *90-day notice* to 60 days by offering a one-month rent payment and be prepared to direct their client to legal counsel as appropriate.

Law and Rule Required Course (LARRC)

Optional Topics

Effective January 1, 2026, through December 31, 2027

The optional topics below were compiled from legislation passed in the 2024 and 2025 sessions that the Board determined may have an effect on real estate licensees in Oregon. The topics were developed with input from the Board, Oregon Real Estate Agency staff, and other stakeholders.

Each continuing education provider is responsible for making sure that learning objectives are developed for each of the optional topics that the provider chooses to include.

2024-2025 OREGON LEGISLATION

[House Bill 3746](#)

Reduces the statute of repose for construction-defect claims in planned communities and condominiums from 10 years to 7 years, with an added one-year discovery period if defects surface in years six or seven.

[House Bill 2134](#)

Empowers tenants in fixed-term residential leases to terminate their tenancy without penalty if the landlord issues notice that the lease will not be renewed beyond its term-provided the tenant gives at least 30 days' written notice. The law applies when such landlord notice is given 90 days or more before lease expiration and prohibits landlords from charging early termination fees or rent beyond the tenants vacate date.

[House Bill 3054](#)

This Act limits rent increases and sales constraints by a landlord in a home park or marina. Fixes at six percent maximum rent increase for rental spaces in a larger facility. Effective September 1, 2025.

[House Bill 3136](#)

Eliminates the restriction on the number of real estate professionals that can serve on city or county planning commissions, allowing more than two members engaged in real estate sales, development, or related activities if the commission has over five members.

[House Bill 3378](#)

Requires landlords to offer tenants a physical method of accessing their dwelling unit such as a key, fob, key card, or access code- for dwelling access in addition to any electronic access via smartphone or tablet. It also mandates working locks on all entrance doors and latches on windows.

[House Bill 3521](#)

Requires landlords to refund deposits to rental applicants within five business days if a rental agreement is not executed due to the landlord's failure to comply with the agreement or if the applicant rejects the agreement based on uninhabitability.

[Senate Bill 599](#)

Prohibits landlord and real estate professional from inquiring about or discriminating based on an applicant's or tenant's immigration or citizenship status. It bans requests for certain types of identification documentation,

forbids disclosure or threat of disclosure of immigration status for improper purposes, and establishes civil penalties for violations. Effective May 28, 2025.

[Senate Bill 973](#)

Focuses on publicly supported housing and requires landlords to provide tenants and applicants with advance notice of when affordability restrictions may be terminated.

[Senate Bill 1527](#)

Modifies the first-time home buyer savings account program by removing administrative barriers- such as the requirement for financial institutions to issue an annual certificate- simplifying account setup.

ADDITIONAL OPTIONAL TOPICS

- Review of recent administrative actions taken against licensees found in the [Oregon Real Estate News Journal](#).
- Review of recent articles found in the [Oregon Real Estate News Journal](#).
- Review of Oregon Administrative Rules chapter 863.
- Review the difference between statutes and rules.
- Review the role of the Oregon Real Estate Agency, including:
 - Education and examination for brokers, principal brokers and property managers.
 - Licensing and regulation of real estate principal brokers, brokers, property managers and escrow and escrow agents.
 - Regulation of condominiums, timeshare and campground registrations, real estate marketing organizations, out-of-state subdivisions, and certain manufactured dwelling subdivisions.
 - Investigation of complaints against real estate licensees and escrow agents, and investigation of cases of unlicensed professional real estate activity.
 - The complaint process and what a licensee must provide when responding to a complaint.
- Issues concerning radon, including information to alert potential buyers of one- and two-family dwellings.

Draft Rules to Implement HB 3137

Division 14 - REAL ESTATE BROKER LICENSING

863-014-0003 Definitions

As used in this division, unless the context requires otherwise, the following definitions apply:

- (1) "Agency" means the Real Estate Agency with powers pursuant to ORS 696.385.
- (2) "Agency-approved form" means an electronic or paper form approved by the Real Estate Agency.
- (3) "Authorized principal broker" means a managing principal broker or a principal broker associated with the managing principal broker to whom applicable supervisory control and responsibility has been allocated through a written supervisory agreement as described in ORS 696.310.
- ~~(3)~~ (4) "Birth month" means the month of a licensee's or applicant's date of birth.
- ~~(4)~~ (5) "Board" means the Real Estate Board established pursuant to ORS 696.405.
- ~~(5)~~ (6) "Branch office" is defined in ORS 696.010.
- ~~(6)~~ (7) "Commissioner" means the Real Estate Commissioner described in ORS 696.375.
- ~~(7)~~ (8) "Incapacitated" means the physical or mental inability to perform the professional real estate activities described in ORS 696.010.
- ~~(8)~~ (9) "Legal name" means the first name, middle name and last or surname, without the use of initials or nicknames and is the name given at birth or subsequently acquired through marriage, court order or adoption.
- ~~(9)~~ (10) "Licensed Name" means the name of a real estate licensee as it appears on the current, valid real estate license issued to the licensee pursuant to ORS 696.020.
- (11) "Managing principal broker" as defined in HB 3137 section 2a.
- ~~(10)~~ (12) "Principal broker" means "principal real estate broker," as defined in ORS 696.010.
- ~~(11)~~ (13) "Real estate activity," "professional real estate activity," and "real estate business" mean "professional real estate activity" as defined in ORS 696.010.

~~(12)~~(14) "Real estate broker" as defined in ORS 696.010.

~~(13)~~(15) "Real estate licensee" and "licensee" mean a "real estate licensee" as defined in ORS 696.010, unless the context requires otherwise.

(16)-"Receiving authorized principal broker" means:

(a) The managing principal broker-with whom an active transferring real estate license will be associated after a license transfer; or

(b) A principal broker associated with the managing principal broker to whom applicable supervisory control and responsibility has been allocated through a written supervisory agreement as described in ORS 696.310.

~~(14)~~(17) "Registered business name" is defined in ORS 696.010.

(18) "Sending authorized principal broker" means:

(a) The managing principal broker with whom an active transferring real estate license is associated before the license transfer; or

(b) A principal broker associated with the managing principal broker to whom applicable supervisory control and responsibility has been allocated through a written supervisory agreement as described in ORS 696.310.

~~(15)~~(19) "Signed" or "Signature" means original or electronic signature as provided by OAR 863-014-0076.

HB 3137 section 2a (15)

863-014-0035 Real Estate Broker Licensing Requirements

(1) To be eligible for a real estate broker license, an individual must complete the following steps in the order listed:

(a) Submit the required online license application and pay the related fee to the Agency.

(b) Successfully complete the required courses of study for a real estate broker license required by OAR 863-022-0010.

(c) Ensure that the school providing the required course of study certifies to the examination provider that the applicant completed the course as required by OAR 863-014-0020.

(d) Pay the fee to the examination provider and take and pass the real estate broker examination as required by OAR 863-014-0020.

(e) Provide fingerprints for a criminal background check and pay the fee to the fingerprint services provider as required by OAR 863-014-0015.

(2) After the applicant meets the requirements under (1) of this rule, the Agency will complete a background check on the applicant, which includes a criminal background check under OAR 863-014-0015.

(3) A real estate broker must be associated with a **managing** principal broker. Using the online license transfer application available through the Agency's website, **a principal broker an authorized principal broker** must transfer the broker to the registered business name under OAR 863-014-0063.

(4) A currently licensed principal broker who wishes to be licensed as a real estate broker must submit a license application and pay the fee to the Agency required by OAR 863-014-0010.

HB 3137 section 2a (1)

863-014-0040 Principal Real Estate Broker Licensing Requirements

(1) To be eligible for a principal real estate broker license, an individual must complete the following steps in the order listed:

(a) Submit an online license application and pay the fee to the Agency required by OAR 863-014-0010. The license application must include proof satisfactory to the Agency that the applicant has three years of active licensed real estate experience.

(b) If the applicant is not an active, inactive, or expired Oregon real estate broker licensee and has not completed the current required courses of study for a real estate broker license, the applicant must complete such required courses under OAR 863-022-0010.

(c) Ensure that the school providing the courses of study for a real estate broker license under (b) of this section certifies to the examination provider that the applicant completed the course as required by OAR 863-014-0020.

(d) Successfully complete the brokerage administration and sales supervision course required by OAR 863-022-0025.

(e) Ensure that the school providing the brokerage administration and sales supervision course certifies to the examination provider that the applicant completed the course as required by OAR 863-014-0020.

(f) Pay the fee to the examination provider and take and pass the principal broker examination required by OAR 863-014-0020.

(g) If the applicant is not an active, inactive, or expired Oregon real estate licensee, provide fingerprints for a criminal background check and pay the fee to the fingerprint services provider as required by OAR 863-014-0015.

(2) If the applicant is required to submit fingerprints under (1) of this rule, the Agency will complete a background check on the applicant, which includes a criminal background check, as required by OAR 863-014-0015.

(3) After the requirements in (1) and (2) of this rule are met:

(a) Using an online application through the Agency's website, the applicant must ~~specify that the applicant will be registering a~~ register a business name as provided in (4) of this rule; or

(b) Using an online application available through the Agency's website, an ~~active principal broker~~ authorized principal broker must transfer the applicant to the ~~managing~~ principal broker's active registered business name under OAR 863-014-0063. ~~Upon transfer, the~~

principal broker becomes associated with the managing principal broker as provided by ORS 696.022 (House Bill 3137 section 4a).

(4) If an applicant wishes to conduct professional real estate activity under a ~~registered~~ business name registered by the applicant, the applicant must first meet all of the remaining qualifications to obtain the principal broker license and then register a business name under OAR 863-014-0095. ~~Upon registration, the applicant becomes a managing principal broker.~~

(5) If the applicant's qualifications for three years of active experience are based wholly or partially upon an active real estate license held in another state, the applicant must furnish certification of active license history issued by the state(s) where acquired.

(6) A currently licensed real estate broker who ~~has~~ previously held a principal broker license and ~~who~~ wishes to be licensed as a principal broker ~~again~~ must apply for a principal broker license, pay the required fee, and meet all the current qualifications ~~for a principal broker license~~ under this rule.

HB 3137 sections 3, 4

863-014-0054 Authorization for Armed Forces Servicemembers and Their Spouses or Domestic Partners

(1) An active-duty member of the United States Armed Forces who is stationed in this state, or the spouse or domestic partner of such servicemember, may obtain an authorization to conduct professional real estate activity as a real estate broker or principal broker upon completion of the requirements in (2) through (5) of this rule. Such authorization is valid until the earliest of the following:

- (a) Two years from the date of issuance;
- (b) The date the servicemember's term of active-duty service in this state is complete; or
- (c) The date the applicant's license issued by another state expires or is no longer active.

(2) Upon submission of the application for authorization, the applicant must hold an active real estate license of the same real estate license category in another U.S. state and such license or certificate must have been active during the two years immediately preceding the move. The applicant must be in good standing in the state or states in which the applicant is currently licensed.

(3) To apply for authorization, the applicant must:

- (a) Complete an application and pay the related fee as provided in OAR 863-014-0010(1).
- (b) Submit a copy of their or their spouse's or domestic partner's military orders stationing the servicemember in Oregon.
- (c) Furnish certification of active license history issued by the state or states where licensed as required in (2) of this rule.

(4) An applicant seeking authorization to conduct professional real estate activity as a real estate broker must be associated with a **managing** principal broker as provided in OAR 863-014-0035(3).

(5) An applicant seeking authorization to conduct professional real estate activity as a principal real estate broker must either:

- (a) Register a business name using an online application through the Agency's website as provided in OAR 863-014-0095; or
- (b) Have an active principal broker transfer the applicant to an active registered business name under OAR 863-014-0063 using an online application available through the Agency's website.

(6) The authorization to conduct professional real estate activity as a real estate broker or principal broker may not be renewed on expiration. Previous holders of an authorization must reapply and fulfill the requirements of ORS 696.022 and OAR 863-014-0035 or 863-014-0040 in order to conduct professional real estate activity in this state.

863-014-0060 Limited Licenses and Renewal

(1) If the Commissioner issues an individual a limited license under ORS 696.130, the licensee may submit a written request for an unrestricted license after the period of limitation. The request must include the endorsement of the licensee's **supervising authorized principal** broker, if applicable.

(2) Issuance of an unrestricted license after a period of limitation is dependent upon the Agency's review and approval of the request. The inquiry into the licensee may include, but is not limited to, a check through the Law Enforcement Data System.

(3) A limited licensee may only submit a license renewal application and pay the fee using an online application process, which is available through the Agency's website.

(4) For purposes of this rule, "received by the Agency" means the date a licensee completed the online renewal process and paid the fee required under ORS 696.270.

(5) A limited real estate broker or principal broker license expires if a licensee fails to renew the license on or before the license expiration date. A real estate licensee may not engage in any professional real estate activity after a license expires. A real estate licensee may renew an expired license as provided in this rule.

(6) The Agency may renew a limited real estate license to active status for the term prescribed in OAR 863-014-0030 when the Agency has received the following:

(a) The renewal fee authorized by ORS 696.270; and

(b) An online active renewal application that includes course information entered by the licensee demonstrating that the licensee has met the license renewal continuing education requirements under section OAR 863-020-0010.

(7) The Agency may renew a limited real estate license to inactive status for the term prescribed in OAR 863-014-0030, when the Agency has received the following:

(a) The renewal fee authorized by ORS 696.270; and

(b) An online inactive renewal application.

(8) The Agency may renew an inactive limited real estate license to inactive status for the term prescribed in OAR 863-014-0030, when the Agency has received the following:

(a) The renewal fee authorized by ORS 696.270; and

(b) An online inactive renewal application.

(9) The Agency may renew an inactive limited real estate license to active status for the term prescribed in OAR 863-014-0030, when the Agency has received the following:

- (a) The renewal fee authorized by ORS 696.270;
- (b) An online active renewal application that includes course information entered by the licensee demonstrating that the licensee has met the license renewal continuing education requirements under OAR 863-020-0010;
- (c) An online transfer application, available through the Agency's website, completed by the receiving **authorized** principal broker under OAR 863-014-0063; and
- (d) An endorsement in writing from the ~~supervising~~ **authorized** principal broker acknowledging the limited license status and accepting the terms outlined in the stipulated final order.

(10) The Agency may renew an expired limited real estate license to active limited status when the Agency receives, within one year of the date the license expired, the following:

- (a) The renewal fee and a late fee authorized by ORS 696.270;
- (b) An online active renewal application that includes course information entered by the licensee demonstrating that the licensee met the license renewal continuing education requirements under OAR 863-020-0010;
- (c) An online license transfer application, available through the Agency's website, completed by the receiving **authorized** principal broker under OAR 863-014-0063; and
- (d) An endorsement in writing from the ~~supervising~~ **authorized** principal broker acknowledging the limited license status and acceptance of the terms outlined in the stipulated final order.

(11) The Agency may renew an expired limited real estate license to inactive limited license status when the Agency receives, within one year of the date the license expired, the following:

- (a) The renewal fee and a late fee authorized by ORS 696.270; and
- (b) An online inactive renewal application.

(12) When the Agency renews an expired limited license, the renewed license is effective the date the renewal requirements are met. The renewal is not retroactive to the date the license expired and an expired license retains the status of expired during the expiration period.

(13) A limited license renewed under this rule expires two years from the date of the original expiration date.

(14) A limited real estate license that has expired for more than one year is lapsed, as defined in ORS 696.010.

(15) A limited license may not be renewed if it is lapsed, surrendered, suspended, or revoked. Except as provided in OAR 863-014-0075, the former licensee must reapply and meet all the licensing qualifications required of new license applicants.

HB 3137 sections 3, 4

863-014-0061 Affiliated and Subsidiary Organizations

- (1) Affiliated organizations are two or more organizations whose controlling ownership interests are owned by the same licensee, licensees, entity, or entities.
- (2) A subsidiary organization is one in which the majority of the voting stock or controlling ownership interest is owned by another organization.
- (3) Affiliated or subsidiary business organizations may ~~use~~ have the same managing principal broker, provided that the individual registering the business name submits proof satisfactory to the commissioner that the ~~principal real estate broker or brokers~~ managing principal broker involved actually manages and controls each affiliated and subsidiary organization.
- (4) As used in this rule, controlling ownership interest(s) means owning 51 percent or more.

HB 3137 section 5

863-014-0063 Real Estate License Transfers, Managing Principal Brokers' Responsibilities, Authority to Use Registered Business Name

(1) As used in this rule;

~~(a) "Authorized licensee" means a principal broker who has authority and is responsible for a registered business name;~~

~~(a)~~ "License transfer application" means an online application that does one of the following:

~~(A)~~ (a) Transfers a real estate broker ~~or principal broker~~ license to a receiving ~~authorized~~ principal broker in order to become associated with the ~~receiving managing~~ principal broker, or

~~(B)~~ (b) Authorizes a real estate ~~broker or principal broker~~ licensee to use a registered business name to conduct professional real estate activity.

~~(c) "Sending principal broker" means the authorized licensee with whom an active real estate broker is associated before the license transfer;~~

~~(d) "Receiving principal broker" means the authorized licensee or principal broker with whom an active real estate broker will be associated after the license transfer.~~

(2) An online license transfer application, available through the Agency's website, includes:

(a) The name of the licensee and license number of the licensee who is being transferred;

(b) The receiving ~~authorized~~ principal broker's ~~or authorized licensee's~~ name, license number, date, signature, and attestation ~~or the authorized~~ authorizing the use of the registered business name.

(3) ~~A~~ The authorized managing principal broker ~~with whom a licensee is associated who supervises the licensee~~ remains responsible for the licensee's professional real estate activity until the Agency receives one of the following:

(a) An online inactivation application available through the Agency's website; or

(b) An online license transfer application and fee.

~~(4) If a principal broker with whom a real estate broker is associated, or the real estate broker doesn't~~ If neither the authorized principal broker who supervises the real estate licensee nor the real estate licensee completes the online inactivation process, the ~~authorized principal broker~~ remains responsible for the licensee's subsequent professional real estate activity until the Agency receives one of the following:

(a) An online inactivation application; or

(b) An online license transfer application and fee.

(5) The Agency will document the registered business name under which a real estate licensee is authorized to conduct professional real estate activity when the Agency receives an online license transfer application, or a new registered business name application, and the transfer fee authorized by ORS 696.270.

(6) Following a license transfer, a real estate broker may continue to engage in professional real estate activity on transactions that began while associated with the sending **authorized** principal broker under the following limitations:

(a) Applies only to transactions involving the sale, exchange, purchase, or lease of real estate where there is a fully executed contract, an active written offer, or counter offer, or a letter of intent;

(b) May only be done with the involved client's documented approval; and

(c) May only be done with written agreement between the sending **authorized** principal broker and the receiving **authorized** principal broker. The written agreement must:

(A) Identify which **authorized principal broker** is responsible for supervision, including record retention;

(B) Identify the transactions or transactions included in the written agreement;

(C) State the effective date of the agreement;

(D) Address agency relationships;

(E) Specify how compensation will be handled; and

(F) Be signed by the sending **authorized** principal broker, receiving **authorized** principal broker, and transferring broker.

(7) Following a license transfer, a principal broker may continue to engage in professional real estate activity on transactions that began while authorized to conduct professional real estate activity for the previous registered business name under the following limitations:

(a) Applies only to transactions involving the sale, exchange, purchase, or lease of real estate where there is a fully executed contract, an active written offer or counter offer, or a letter of intent;

(b) May only be done with the involved client's documented approval; and

(c) May only be done with written agreement between the ~~transferring~~ sending authorized principal broker and the ~~sending~~ receiving authorized principal broker ~~of the previous registered business name~~. The written agreement must:

(A) Identify responsibilities for supervision, as appropriate;

(B) Identify responsibilities for record retention;

(C) Identify the transaction or transactions included in the written agreement;

(D) State the effective date of the agreement;

(E) Address agency relationships;

(F) Specify how compensation will be handled; and

(G) Be signed by the ~~transferring~~ sending authorized principal broker, ~~and sending~~ receiving authorized principal broker, ~~and transferring~~ principal broker.

HB 3137 sections 3, 4

863-014-0065 Inactive License, Change License Status to Active, License Reactivation

- (1) A real estate licensee whose license is on inactive status may not engage in professional real estate activity.
- (2) The Commissioner may reprimand, suspend, revoke, or impose a civil penalty against an inactive licensee under ORS 696.301.
- (3) The Agency will change an active real estate license to inactive license status when the Agency receives the following:
 - (a) An online inactivation application available through the Agency's website completed by the licensee to change the license status to inactive; or
 - (b) An online inactivation application available through the Agency's website completed by the licensee's **authorized** principal broker to change the license status of the licensee to inactive.
- (4) An inactive real estate licensee may be renewed under OAR 863-014-0050.
- (5) For a period of 30 days after a real estate **broker** license becomes inactive, the licensee may change such license status from inactive to active and be transferred by an **authorized** principal broker under OAR 863-014-0063.
- (6) Except as provided in section (7) of this rule, for a period of 30 days after the real estate license becomes inactive, the licensee may become licensed as an active principal broker only if:
 - (a) The licensee is qualified for such license and
 - (b) The licensee submits to the Agency:
 - (A) An Agency-approved application, and
 - (B) Payment of the fee authorized by ORS 696.270.
- (7) If a license has not been on active status for two or more consecutive years, the following steps must be completed in the order listed to reactivate the license:
 - (a) The licensee must pay a fee to the examination provider and take and pass the real estate reactivation examination and as required by OAR 863-014-0020.
 - (b) The licensee must submit an online reactivation application available through the Agency's website and pay the fee to the Agency required under ORS 696.270.

(8) After the 30-day period specified in sections (5) and (6) of this rule, and subject to the examination requirements in section (7) of this rule, the Agency will change the license status from inactive to active after receiving the following:

(a) An online application for license reactivation;

(b) Payment of the reactivation fee authorized by ORS 696.270; and

(c) ~~An online license transfer application available through the Agency's website, completed by the receiving managing principal broker per OAR 863-014-0063. If the reactivating licensee is a principal broker who wishes to conduct professional real estate activity under a new registered business name, the principal broker must first complete the online renewal and pay the fee authorized by ORS 696.270 and then register a business name under OAR 863-014-0095. Upon registration, the applicant becomes a managing principal broker. One of the following, as applicable:~~

~~(i) An online license transfer application available through the Agency's website, completed by the receiving authorized principal broker under OAR 863-014-0063; or~~

~~(ii) For principal brokers who wish to conduct professional real estate activity under a new registered business name, an online application to register the business name under OAR 863-014-0095. Upon registration, the applicant becomes a managing principal broker.~~

(9) The change of license status, transfer, or the reactivation of a license is effective when all requirements are met, applications are completed, and fees are paid.

HB 3137 sections 3, 4

863-014-0085 Authorization to Control Managing Principal Broker's Business

(1) A managing principal broker may authorize another managing principal broker to control and supervise ~~his or her~~ their professional real estate activity and use ~~the authorizing principal broker's~~ their registered business name, ~~if any~~, during ~~the authorizing principal broker's~~ their absence only if:

(a) The authorizing managing principal broker provides written authorization as required by this rule, and

(b) The supervising managing principal broker accepts the supervising responsibility in writing.

(2) Both licensees have joint responsibility for all professional real estate activity conducted during the authorizing managing principal broker's absence.

(3) The written authorization required by this rule must contain the following information:

(a) The authorizing managing principal broker's authorization, including the effective date and the termination date of such authorization, which may not exceed 90 days;

(b) The supervising managing principal broker's affirmation accepting the supervisory responsibility; and

(c) An affirmation by both managing principal brokers acknowledging that they are jointly responsible for the professional real estate activity during the dates of the authorization.

(4) The authorizing managing principal broker may end the authorization before the termination date by filing an amended authorization before the termination date.

(5) The written authorization required by this rule must be received by the Agency before the effective date of such authorization on an Agency-approved form. The Commissioner may allow a later filing for good cause shown.

(6) The Agency will maintain the written authorization as an Agency record.

(7) This rule provides an exception to OAR 863-014-0095(7), which prohibits a managing principal broker from engaging in professional real estate activities under more than one registered business name. That is, a supervising managing principal broker may conduct professional real estate activity under both the authorizing managing principal broker's registered business name and the supervising managing principal broker's registered business name if the parties meet the requirements contained in this rule. This exception

does not allow a **managing** principal broker to conduct professional real estate activity under more than these two registered business names.

HB 3137 section 5

863-014-0090 Authorization to Temporarily Supervise

(1) When a managing principal broker conducts professional real estate activity not in conjunction with other principal real estate brokers, the managing principal broker may authorize a real estate broker associated with the managing principal broker to temporarily supervise the managing principal broker professional real estate activity only if:

(a) The authorizing managing principal broker provides written authorization as required by this rule; and

(b) The real estate broker accepts the supervisory responsibility in writing.

~~(1) As used in ORS 696.022 and this rule, the following definitions apply:~~

~~(a) "Sole principal real estate broker" means a principal real estate broker who conducts professional real estate activity not in conjunction with other principal real estate brokers; and~~

~~(b) "Supervise" means to conduct the sole principal broker's professional real estate activity, including supervising the professional real estate activity of any real estate brokers and property managers associated with the sole principal real estate broker. It does not include conducting professional real estate activity in conjunction with any other principal real estate broker.~~

~~(2) A real estate broker who is associated with a sole managing principal real estate broker may temporarily supervise the sole managing principal broker's professional real estate activity only if:~~

~~(a) The sole managing principal broker provides written authorization as required by this rule; and~~

~~(b) The real estate broker accepts the supervisory responsibility in writing.~~

~~(3)~~ (2) The written authorization must contain the following information:

(a) Authorization by the **managing sole** principal **real estate** broker, including the effective date and termination date of such authorization, which may not exceed 90 days;

(b) An affirmation by the real estate broker acknowledging that the real estate broker:

(A) Has acquired at least three years of active experience as a real estate broker;

(B) Accepts the supervisory responsibility;

(C) Is bound by and subject to all the statutory and rule requirements of a **managing** principal **real estate** broker during the period of authorization.

(c) An affirmation by both the ~~sole managing~~ principal ~~real estate~~ broker and the real estate broker acknowledging that they are jointly responsible for the real estate broker's supervision of the professional real estate activity during the dates of the authorization.

(4) The ~~sole managing~~ principal ~~real estate~~ broker may end the authorization before the termination date by filing an amended authorization before the termination date.

(5) The written authorization required by this rule must be received by the Agency before the effective date of such authorization on an Agency-approved form. The commissioner may allow a later filing for good cause shown.

(6) The Agency will maintain the written authorization as an Agency record.

HB 3137 sections 4a

863-014-0095 Business Name Registration

(1) Before conducting professional real estate activity in any name, ~~the~~ a principal broker must first register the name with the Agency using an online application process available through the Agency's website. For the purposes of this rule, "registered business name" means any name used to conduct professional real estate activity, including: the licensee's legal name, an assumed name, or the name of a business entity, such as a corporation, partnership, limited liability company, or other business entity recognized by law.

(2) To register a business name, the principal broker must submit to the Agency in an online application, the following:

(a) The business name in which the principal broker wishes to conduct real estate business, which must be the exact name on file with the Oregon Secretary of State or licensee's legal name.

(b) Written authority to register the business name;

(c) For any name used other than the licensee's legal name, a valid, active Oregon Secretary of State Business Registry number; and

(d) The fee authorized by ORS 696.270.

~~(3)~~ Once the registration of the business name is completed, a principal broker becomes the managing principal broker.

~~(4)~~ A licensee A managing principal broker must maintain the registered business name in active status with the Oregon Secretary of State's Corporation Division for any name other than the licensee's legal name.

~~(5)~~ (5) Any change in the business name registered with the Agency must be submitted, with the applicable fee authorized by ORS 696.270, through the online application available on the Agency website.

~~(4)~~ (6) If a managing principal broker wishes to transfer the right to use and the responsibility for a business name that is registered with the Agency, the principal broker acquiring the right to use the name must file a change of business name registration with the Agency together with the fee authorized by ORS 696.270. Upon completion of the change of business name, the principal broker acquiring the right to use the name becomes the managing principal broker.

(7) A licensee must notify the Agency in writing if the licensee terminates its use of a business name.

~~(5)~~ (8) A business name registration becomes void when:

- (a) The Agency receives an online application to void the registration.
- (b) The registration expires.
- (c) When no licensees are affiliated with the registered business name.

~~(6)~~ (9) A voided business name registration may be reactivated by reapplying for the registration and paying the fee authorized by ORS 696.270, unless another licensee has since registered the business name.;

~~(7)~~ (10) Except as provided in OAR 863-014-0085 and this section, no real estate broker or principal broker may engage in professional real estate activities under more than one registered business name. A **managing** principal broker may engage in professional real estate activities under more than one registered business name if the business entity is an affiliated or subsidiary organization as described in OAR 863-014-0061.

~~(8)~~ (11) The initial **term of a business name** registration **term** will expire on the last day of **the** initial month of registration. The initial term is not less than 12 months and is not more than 12 months plus the number of days between the date the registration is issued and the last day of the initial registration month.

HB 3137 section 5

863-014-0097 Registered Business Name Renewal

- (1) Only an **authorized principal broker** can submit a registered business name renewal application and pay the fee using an online application process, which will be available through the Agency's website.
- (2) For purposes of this rule, "received by the Agency" means the date the **authorized principal broker** completed the online renewal process and paid the fee required under ORS 696.270.
- (3) A registered business name that **is not renewed fails to renew** on or before the registration expiration date will be void.
- (4) If a registered business name **becomes void**, all real estate licensees authorized to conduct professional real estate activity under the name will be inactivated and may not engage in any professional real estate activity until transferred under OAR 863-014-0063.
- (5) A principal broker **that who** wishes to reactivate a voided registered business name must reapply **after a business name expiration** as provided by OAR 863-014-0095. **Upon completion of the new application, the principal broker becomes the managing principal broker.**
- (6) When a new application **for** a voided registered business name has been processed and activated by the Agency, **an authorized managing** principal may then authorize other real estate licensees to conduct professional real estate activity under the registered business name by completing the process under OAR 863-014-0063. Effective dates are not retroactive.
- (7) A registered business name renewed under this rule expires one year from the date of the original expiration date.

HB 3137 section 5

863-014-0100 Branch Office Registration

(1) Before engaging in professional real estate activity from a branch office, an **authorized managing** principal ~~real estate~~ broker must provide to the Commissioner on an online application available through the Agency's website, the branch office street and mailing addresses and the fee authorized by ORS 696.270.

(2) For the purposes of ORS 696.270, a branch office registration does not require renewal.

HB 3137 section 5, 11

863-014-0160 Deceased or Incapacitated Managing Principal Broker

(1) If the Commissioner issues a temporary license under ORS 696.205, the licensee's activities may be limited to winding up the affairs of the managing principal broker's transactions that are in various stages of completion or termination at the managing principal broker's death or incapacity. These activities may include, but are not limited to:

- (a) Terminating all listings and buyer's service agreements in which there were no outstanding offers or earnest money receipts when the managing principal broker died or became incapacitated;
 - (b) Completing all negotiations between buyers and sellers on open transactions;
 - (c) Depositing and withdrawing monies from the clients' trust account in connection with the completion of all transactions pending when the principal broker died or became incapacitated;
 - (d) Promptly paying all real estate commissions owing after closing all transactions, both to the decedent principal broker's estate and to participating real estate brokers entitled to commissions resulting from the transactions; and
 - (e) Disbursing earnest moneys or other funds according to any outstanding earnest money receipt or other agreement.
- (2) The holder of a temporary license is subject to ORS Chapter 696 and its implementing rules while engaging in professional real estate activity under the terms of the temporary license.

Division 15 - REAL ESTATE BROKER REGULATION

863-015-0000 Applicability and Purpose

(1) This division applies to real estate brokers and principal real estate brokers, as those terms are defined by ORS 696.010.

(2) The purposes of this division are:

(a) To specify the regulations for licensees engaged in professional real estate activities, as that term is defined in ORS 696.010;

(b) To protect the owners, buyers, and sellers of real estate; and

(c) To make the **authorized** principal **real-estate** broker responsible for establishing a system of recordkeeping that:

(A) Provides the Agency with access to the licensees' records and

(B) Complies with the requirements contained in OAR chapter 863 and ORS Chapter 696.

(3) The Agency's goal is to encourage real estate licensees to comply with the applicable statutes and implementing rules through education and, if necessary, through progressive discipline, as provided in OAR chapter 863, division 27.

(4) Section (3) of this rule does not limit the Agency's authority to reprimand, suspend, or revoke a license pursuant to ORS 696.301 or assess civil penalties as authorized by 696.990.

HB 3137 section 16

863-015-0003 Definitions

As used in this division, unless the context requires otherwise, the following definitions apply:

(1) "Addendum" means additional material attached to and made part of a document. The addendum must refer to the document and be dated and signed or otherwise acknowledged by all the parties.

(2) "Agent" is defined in ORS 696.800.

(3) "Agency" means the Real Estate Agency.

(4) "Authorized principal broker" means a managing principal broker or a principal broker associated with the managing principal broker to whom applicable supervisory control and responsibility has been allocated through a written supervisory agreement as described in ORS 696.310.

(5)(4) "Bank" is defined in ORS 696.010.

(6)(5) "Banking day" means each day a financial institution is required to be open for the normal conduct of its business but does not include Saturday, Sunday, or any legal holiday under ORS 187.010.

(7)(6) "Branch office" is defined in ORS 696.010.

(8)(7) "Buyer" is defined in ORS 696.800.

(9)(8) "Business day" is defined in ORS 696.010

(10)(9) "Clients' Trust Account" means an account in a "bank," that is subject to the provisions of ORS 696.241.

(11)(10) "Closing" means the transfer of all property titles and the disbursement or distributions of all monies and documents for a real estate transaction.

(12)(11) "Commissioner" means the Real Estate Commissioner described in ORS 696.375.

(13)(12) "Compensation" is defined in ORS 696.010.

(14)(13) "Competitive market analysis" is defined in ORS 696.010.

(15)(14) "Compliance review" means an Agency review of an **authorized** principal **real estate** broker's records and procedures for the purpose of educating the **authorized** principal **real estate** broker on statutes and rules.

(16)(15) "Confidential information" is defined in ORS 696.800.

~~(17)(16)~~ "Cure noncompliance" means an **authorized** principal **real estate** broker's acts that resolve the **authorized** principal **real estate** broker's failure to comply with statutory and rule requirements.

~~(18)(17)~~ "Day" or "days" means each calendar day, including legal holidays under ORS 187.010.

~~(19)(18)~~ "Disclosed limited agency" is defined in ORS 696.800.

~~(20)(19)~~ "First contact with a represented party" means the initial contact by a licensee, whether in person, by telephone, over the Internet, or by electronic mail, electronic bulletin board, or similar electronic method, with an individual who is represented by a real estate licensee or can reasonably be assumed from the circumstances to be represented or seeking representation.

~~(21)(20)~~ "Investigation" means an Agency-initiated investigation of a **principal real estate broker licensee** that may result in administrative actions against the licensee.

~~(22)(21)~~ "Letter opinion" is defined in ORS 696.010.

~~(23)(22)~~ "Listing agreement" is defined in ORS 696.800.

~~(24)~~ "Managing principal broker" is defined in **HB 3137 section 2a(1)(a)**.

~~(23)~~ ~~(25)~~ "Offer" is defined in ORS 696.800.

~~(24)~~ ~~(26)~~ "Offering price" is defined in ORS 696.800.

~~(25)~~ ~~(27)~~ "Principal" is defined in ORS 696.800.

~~(26)~~ ~~(28)~~ "Principal broker" means "principal real estate broker," as defined in ORS 696.010.

~~(27)~~ ~~(29)~~ "Real estate" is defined in ORS 696.010.

~~(28)~~ ~~(30)~~ "Real estate activity," "professional real estate activity," and "real estate business" mean "professional real estate activity" as defined in ORS 696.010.

~~(29)~~ ~~(31)~~ "Real estate broker" is defined in ORS 696.010.

~~(30)~~ ~~(32)~~ "Real estate licensee" and "licensee" mean a "real estate licensee" as defined in ORS 696.010, unless the context requires otherwise.

~~(33)~~ "Real estate teams" is defined in **HB 3137 section 13**.

~~(34)~~ ~~(34)~~ "Real property" is defined in ORS 696.800.

~~(32)~~ ~~(35)~~ "Real property transaction" is defined in ORS 696.800.

~~(33)~~ (36) "Reconciliation review" means a review of an **authorized** principal broker's clients' trust account reconciliation information and documents for compliance with OAR 863-015-0275.

~~(34)~~ (36) "Registered business name" is defined in ORS 696.010.

~~(35)~~ (37) "Sale" and "sold" are defined in ORS 696.800.

~~(36)~~ (38) "Seller" is defined in ORS 696.800.

~~(37)~~ (39) "Timely" means as soon as is practicable under the circumstances.

HB 3137 sections 2a, 4

863-015-0081 Compliance Reviews

- (1) The Agency will provide a **managing** principal broker with written notice at least five business days before conducting a compliance review.
- (2) A compliance review is completed when the Agency delivers a written notice of completion to the **managing** principal broker.
- (3) Except as provided in section (4) of this rule, if the Agency determines that an **authorized** principal broker is not in compliance with ORS 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870, or OAR chapter 863 after the Agency completes a compliance review, the Agency will allow the **authorized** principal broker at least 30 days from the date the compliance review is completed to cure the noncompliance without sanction.
- (4) Upon completion of a compliance review, if the Agency has reasonable grounds to believe that the funds belonging to others may be missing, funds may have been misappropriated, or that the **authorized** principal broker's records are in such a condition that the **authorized** principal broker is placing funds belonging to others at risk the Agency may immediately initiate an investigation without providing an **authorized** principal broker with an opportunity to cure noncompliance.

HB 3137 section 2a

863-015-0092 Reconciliation Review

- (1) The Agency will conduct clients' trust account reconciliation reviews.
- (2) The Agency will provide a **managing** principal broker with written notice of a clients' trust account reconciliation review at least 10 business days before required information and documentation must be provided to the Agency.
- (3) After the Agency reviews the information and documents provided in a reconciliation review, the Agency will take one of the following actions:
 - (a) If the information and documents ~~are in compliance~~ **comply** with statutes and rules, the Agency will provide written notice to the **authorized** principal broker confirming compliance only as to the information and documents provided;
 - (b) If the information and documents indicate that the **authorized** principal broker may be subject to additional documentation and procedural requirements that were not part of the reconciliation review, the Agency will provide written notice to the **authorized** principal broker detailing the Agency's expectations for compliance on those matters;
 - (c) If the information and documents demonstrate that the **authorized** principal broker is not in compliance, the Agency will provide written notice to the **managing** principal broker that:
 - (A) The **authorized** principal broker must cure all noncompliance issues and provide information and documentation to the Agency that the noncompliance has been cured within 30 days of the date of the notice; and
 - (B) If all noncompliance issues are not cured within 30 days, the Agency may:
 - (i) Issue an educational letter of advice;
 - (ii) Impose sanctions on the principal broker; or
 - (iii) Initiate an investigation and not allow additional time for the **authorized** principal broker to cure the noncompliance.
 - (d) If the Agency has reasonable grounds to believe that the funds belonging to others may be missing, funds may have been misappropriated, or that the **authorized** principal broker's records are in such a condition that the **authorized** principal broker is placing funds belonging to others at risk, the Agency may immediately initiate an investigation without providing ~~a~~ **the authorized** principal broker with an opportunity to cure noncompliance.
- (4) If an **authorized** principal broker does not respond to a reconciliation review within the time period required in the notice, the Agency may initiate an investigation.

(5) The Agency may conduct a reconciliation review:

(a) As part of a regular, routine, and random selection of **managing** principal broker clients' trust accounts for reconciliation reviews;

(b) After a compliance review, when the Agency has determined that an **authorized** principal broker was not in compliance and provided the **authorized** principal broker with an opportunity to cure the non-compliance; and

(c) After an investigation has been initiated.

HB 3137 section 2a

863-015-0125 Advertising

(1) As used in this rule, "advertising" and "advertisement" include all forms of meaningful communication by or on behalf of a real estate broker or principal broker designed to attract the public to the use of services related to professional real estate activity. This includes, but is not limited to:

- (a) Print, including, but not limited to mail, publications, brochures, postcards, business cards, and stationery;
- (b) Signs, including but not limited to lawn signs, displays, and billboards;
- (c) Phone, including but not limited to mobile phone, text messaging, cold calling, and outgoing voicemail messaging;
- (d) Broadcast media, including but not limited to radio, television, podcasts, and video; and
- (e) Electronic media, including but not limited to multiple listing services, websites, email, social media, mobile apps, and other online marketing.

(2) Advertising shall:

- (a) Be identifiable as advertising of a real estate licensee;
- (b) Be truthful and not deceptive or misleading;
- (c) Not state or imply that the licensee is a **managing** principal broker or is responsible for operating the registered business if the licensee is **a real estate broker not a managing principal broker**;

~~(d) Not state or imply that the licensee is responsible for operating the registered business if the licensee is a principal broker but not the authorized licensee for the registered business name as defined in OAR 863-014-0063;~~

~~(e)~~ (d) Not state or imply that the licensee is qualified or has a level of expertise other than as currently maintained by the licensee; and

~~(f)~~ (e) Be conducted only with the written permission of the property owner(s) or authorized agent of the owner(s) if for the purpose of offering real estate for sale, exchange, or lease.

(3) Advertising that includes the licensee's name shall use one of the following:

- (a) The licensee's licensed name;
 - (b) A common derivative of the licensee's first name and the licensee's licensed last name;
- or

(c) An alternative name registered with the Agency per OAR 863-014-0067 and the licensee's license number.

(4) The registered business name, as registered with the Agency, shall be immediately noticeable in all advertising.

(5) Advertising in electronic media is subject to the following requirements:

(a) Advertising shall comply with all other requirements of this rule;

(b) Advertising by a real estate broker or principal broker shall include on its primary or home page:

(A) The licensee's name as required in section (3) of this rule; and

(B) The registered business name as registered with the Agency.

(c) Sponsored links, which are paid advertisements located on a search engine results page, are exempt from the requirements contained in subsection (b) of this section if the first page following the link complies with subsection (b).

(d) An email or text message from a licensee is exempt from the requirements of subsection (b) of this section if the licensee's initial communication contained the information required by subsection (a).

(e) Advertising on social media is exempt from the requirements contained in subsection (b) of this section if the advertising links to the account profile page or a separate page that complies with subsection (b).

(6) No advertising may guarantee future profits from any real estate activity.

(7) A licensee or licensees may ~~use the term "team" or "group" to advertise if~~ advertise as a real estate team under HB 3137 section 12 and OAR 863-015-XXXX Real Estate Teams if:

~~(a) The use of the term does not constitute the unlawful use of a trade name and is not deceptively similar to a name under which any other person is lawfully doing business;~~

~~(b) The team or group includes at least one active real estate licensee;~~

~~(c) The licensee members of the team or group are associated with the same principal broker;~~

~~(d) The licensee member uses the licensee's name as required under section (3) of this rule;~~

(a) The advertising does not state or imply that the real estate team is a separate legal entity from the registered business name;

(b) The registered business name is immediately noticeable in all advertising;

~~(c)~~ (c) If any non-licensed individuals are named in the advertising, the advertising shall clearly state which individuals are real estate licensees and which ones are not; and

~~(d)~~ (d) The advertising complies with all other applicable provisions of ORS Chapter 696 and its implementing rules.

HB 3137 sections 4a, 13

863-015-0130 Listing Agreements

(1) A real estate broker or principal broker who enters into a listing agreement, as defined by ORS 696.800, must give the seller signing the listing agreement a true, legible copy of the signed listing agreement at the time of securing the listing.

(2) In addition to the requirements contained in ORS 696.805, listing agreements must also include:

(a) An expiration date;

(b) The licensee's license number;

(c) A statement of whether the agreement is exclusive or nonexclusive;

(d) Name and contact information, including telephone number for ~~a~~ the authorized principal broker responsible for supervision of the broker; and

(e) Signatures by all parties to the agreement.

(3) Listing agreements are prohibited from containing the following:

(a) Any provision requiring the seller to notify the licensee of the individual's intention to cancel the listing after the stated, definite expiration date;

(b) Any provision subjecting the seller of the listed property to the payment of two or more commissions for one sale if the seller lists the same property with a second or subsequent real estate broker or principal broker after the first or preceding listing agreement expires or is terminated by mutual agreement.

863-015-0133 Buyer Agreements

A real estate licensee representing a buyer in a residential transaction of residential land or one to four residential units is required to act under a written representation agreement with the buyer. In addition to the requirements contained in ORS 696.810, the representation agreement must also include:

- (1) Licensee's license number;
- (2) The name and contact information including telephone number for ~~a~~ the managing principal broker responsible for supervision of the broker;
- (3) Term, including effective date and expiration date;
- (4) Description of the legal obligations of a buyer's agent as described in ORS 686.810 or by reference to the initial agency disclosure pamphlet delivered per ORS 696.820;
- (5) The buyer's general search criteria, which may include the price range of desired property and the location of desired property;
- (6) An explanation of how buyer's agent may be compensated;
- (7) Representation agreement termination rights provisions for both buyer and licensee;
and
- (8) A statement whether the agreement is exclusive or nonexclusive.

863-015-0140 Managing Principal Broker Supervision Responsibilities

(1) A managing principal broker must comply with the supervision and control requirements in HB 3137 section 20 (1).

~~(2) No managing principal broker may allow any individual to use the managing principal broker's license for the sole purpose of allowing other real estate licensees to engage in professional real estate activity when the managing principal broker's only interest is receiving a fee for the use of the managing principal broker's license by others or when the managing principal broker only nominally supervises the professional real estate activity conducted under the principal broker's license.~~

(2) A managing principal broker may not state or imply to current or prospective licensees or the public that the real estate ~~brokers licensees~~ associated with the managing principal broker are not fully subject to the managing principal broker's supervision or are not acting as the managing principal broker's agents.

(3) An authorized principal broker must supervise and control the professional real estate activity at any main or branch office registered by the managing principal broker.

(4) ~~The~~ An authorized principal broker must directly supervise the licensees associated with the managing principal broker in fulfilling their duties and obligations to their respective clients. The authorized principal broker must review each document of agreement generated in a real estate transaction within seven banking days after it has been accepted, rejected, or withdrawn. ~~If the document or agreement originates in a branch office, the principal broker who manages the branch office under ORS 696.200 may review such document.~~ The document review may be done electronically or in hard copy. If the authorized principal broker reviews a document electronically, the authorized principal broker ~~or the principal broker who is the branch office manager~~ must make an electronic record of the review showing the name of the reviewer and the date of the review. If the authorized principal broker reviews ~~such a hard copy document in hard copy~~, the authorized principal broker ~~or principal broker who manages the branch office~~ must initial and date the document in writing at the time of review.

HB 3137 sections 11, 20, 21 and 22

863-015-XXXX Real Estate Teams

(1) One or more real estate licensees associated with the same managing principal broker may form a real estate team with the approval of the managing principal broker under HB 3137 section 13.

(2) Before a real estate team member may supervise or control the actions of any other team members, the member must be an authorized principal broker.

(3) The name of a real estate team:

(a) May include the terms “team” or “group;”

~~(b) Must not include the terms “realty” or “real estate;”~~

(be) Must not constitute the unlawful use of a trade name; and

(cd) Must not be deceptively similar to a name under which any other person is lawfully doing business.

(4) Real estate teams must comply with the advertising requirements in OAR 863-015-0125, the real estate team disclosure requirements in OAR 863-015-XXXX, and all other applicable provisions of ORS Chapter 696 and its implementing rules.

863-015-XXXX Real Estate Team Disclosure

(1) For purposes of this rule, “at first contact” means at the time the agent has sufficient contact information about a person to be able to provide a real estate team disclosure to that person. Contact with a person includes, but is not limited to contacts in person, by telephone, over the Internet, by electronic mail, or by similar methods.

(2) A member of a real estate team must provide a copy of the real estate team disclosure, which complies with section (5) of this rule, at first contact with:

(a) A prospective party to a real property transaction; or

(b) An unrepresented party seeking representation during the course of a real property transaction.

(3) A member of a real estate team must provide the real estate team disclosure in a written format by email, over the Internet, by USPS mail, facsimile, hand delivery or similar delivery method.

(4) A member of a real estate team does not need to provide a copy of the real estate team disclosure to a party who has received a copy of the disclosure from another member of the same team.

(5) The real estate team disclosure must contain:

(a) The name and role of each member of the real estate team;

(b) Whether individual members of the real estate team are real estate licensees;

(c) The name of any members of the real estate team responsible for supervision and control of some or all members of the real estate team, if any;

(d) The name of the managing principal broker with whom the real estate licensees on the real estate team are associated,

(e) A statement that the real estate team is a subdivision of the registered business name; and

(f) A statement to the effect that the real estate team must have a disclosed limited agency agreement in place before any members of the real estate team may perform any professional real estate activities for a buyer or seller when the real estate team already represents :

(A) Another buyer or seller in the same real estate transaction; or

(B) Another buyer who wants to purchase the same property.

(6) The Real Estate Agency will make available a sample of a real estate team disclosure that complies with section (5) of this rule on the Agency's website.

863-015-0145 Real Estate Transactions Involving a Licensee as a Principal to the Transaction

(1) If a real estate broker or principal broker, whether active or inactive, either directly or indirectly offers or negotiates for the sale, exchange, lease option, or purchase of real estate within this state and the licensee is a principal to the transaction, the licensee shall disclose to the other party to the offer or transaction that the licensee is a real estate licensee:

(a) On all advertising; and

(b) In writing on at least the first written document of agreement concerning the offer or transaction.

(2) The disclosure set forth on the first written document of agreement also shall state that the real estate licensee is self-represented as either the buyer or the seller in the transaction.

(3) Transactions described in section (1) of this rule of a principal broker shall be processed in the same manner as the licensee's other professional real estate activities and comply with the records requirements under OAR 863-015ex.

(4) Each transaction described in section (1) of this rule of a real estate broker ~~or principal broker~~ associated with a ~~managing~~ principal broker shall be conducted under the supervision of ~~the licensee's-an authorized~~ principal broker and all documents and funds shall be transmitted through the ~~authorized~~ principal broker.

(5) If the licensee holds an inactive license while an offer or transaction described in section (1) of this rule is being effected:

(a) The licensee shall place all funds received in or necessary to effect the offer or transaction into a neutral escrow depository within this state; and

(b) The licensee shall maintain documents concerning the matter as required ~~of-a-principal broker~~ under OAR 863-015-0250.

(6) This section applies to offers and transactions entered into by corporations, partnerships, limited partnerships, or other legal entities in which any real estate licensee, active or inactive, is an owner and where the licensee at any time participates in negotiations concerning the offer or transaction on behalf of the entity. As used in this rule, "owner" means an individual having an ownership interest equaling more than five percent of the total ownership interest in the legal entity.

HB 3137 sections 14, 16, and 20

863-015-0150 Closing Real Estate Transactions

(1) Unless all parties to the transaction agree in writing to delegate the closing function to an escrow agent licensed in Oregon, an attorney, or another **authorized** principal broker engaged in the transaction, an **authorized** principal broker must promptly close any real estate transaction in which the **authorized** principal broker is the listing broker.

(2) A real estate broker associated with an **authorized** principal broker may handle a closing function only if authorized in writing by the **authorized** principal broker and only under the **authorized** principal broker's direct supervision. A copy of the written authorization bearing the **authorized** principal broker's signature must be maintained in the transaction file.

HB 3137

863-015-0186 Clients' Trust Accounts — Disbursal of Disputed Funds

(1) An **authorized** principal broker may disburse disputed funds in a clients' trust account using the procedures in this rule or may disburse funds in a clients' trust account under the terms of a lawful contractual agreement, by law, or under the provisions of ORS Chapter 696, ORS Chapter 105, or OAR 863-025-0025.

(2) For purposes of ORS 696.241(11) and this rule, "disputed funds" are funds in a clients' trust account delivered by a person to a principal broker pursuant to a written contract and the parties to such contract dispute the disbursal of the funds.

(3) As soon as practicable after receiving a demand by one of the parties for the disbursal of funds in a clients' trust account, the **authorized** principal broker must deliver written notice to all parties that a demand has been made for disbursal of the funds, and that such funds may be disbursed to the party who delivered the funds within 20 calendar days of the date of the demand.

(4) The written notice must include substantially the following information:

(a) A party has made a demand for disbursal of funds, and the **authorized** principal broker may disburse such funds from the clients' trust account to the party who delivered the funds, unless:

(A) The parties enter into a written agreement regarding disbursal of the funds and deliver such agreement to the principal broker within 20 calendar days of the date of the demand for disbursal; or

(B) A party provides proof to the **authorized** principal broker that the party has filed a legal claim to such funds within 20 calendar days of the date of the demand for disbursal;

(b) The **authorized** principal broker has no legal authority to resolve questions of law or fact regarding disputed funds in a clients' trust account;

(c) The disbursal of the funds from the clients' trust account to the party who delivered the funds will end the responsibility of the **authorized** principal broker to account for the funds but will not affect any right or claim a person may have to such funds; and

(d) Both parties may wish to seek legal advice on the matter.

(5) Regardless of whether a party disputes the disbursal of funds as outlined in this rule, if the parties have not entered into a written agreement regarding such disbursal, or if a party has failed to provide proof of filing a legal claim, the **authorized** principal broker may disburse the disputed funds to the person who delivered the funds within 20 calendar days of the date of the demand for disbursal.

(6) Nothing in this rule prevents an ~~authorized~~ principal broker from disbursing such funds pursuant to:

(a) The terms of the original contract between the parties;

(b) Any subsequent agreement between the parties regarding the disbursement of funds; or

(c) The requirements of law.

(7) Nothing in this rule prevents the ~~broker-authorized principal broker~~ from filing an action to interplead the disputed funds.

HB 3137 sections 14, 28

863-015-0200 Agency Relationships

(1) Unless the parties expressly agree to a different relationship not otherwise prohibited by law, the types of agency relationships a real estate licensee may establish in a real estate transaction are limited to the following:

- (a) An agency relationship between a real estate licensee and the seller exclusively;
- (b) An agency relationship between a real estate licensee and the buyer exclusively;
- (c) A disclosed limited agency relationship where one or more real estate licensees associated with the same **managing** principal broker represents both the seller and the buyer in the same real estate transaction;
- (d) A disclosed limited agency relationship where real estate licensees associated with the same **managing** principal broker are designated to represent, respectively, the buyer exclusively and the seller exclusively;
- (e) A disclosed limited agency relationship where one or more real estate licensees associated with the same **managing** principal broker represent more than one buyer in the same real estate transaction.

(2) Unless the parties expressly agree to a different relationship not otherwise prohibited by law:

- (a) A licensee representing a seller by written agreement or course of conduct establishes an agency relationship under sections (1)(a) or (d) above;
- (b) A licensee representing a buyer by written agreement or course of conduct establishes an agency relationship under sections (1)(b) or (d) above;
- (c) A licensee representing both a buyer and a seller or two or more buyers in the same real estate transaction is a disclosed limited agent of both the buyer and seller or all buyers under sections (1)(c) or (e) above,

(3) When an agency relationship is formed between a real estate licensee and a client under section (2) above, the following apply:

(a) In a real estate transaction in which one or more licensees associated with the same managing principal broker establish agency relationships with different parties to the transaction, the managing principal broker is a disclosed limited agent.

~~(a)~~ (b) TheAn authorized principal broker with whom who supervises the licensee is associated is becomes the client's disclosed limited agent;

(b) In a real estate transaction in which different real estate licensees ~~associated with supervised by~~ the same ~~authorized principal broker~~ establish agency relationships with different parties to the real estate transaction, the ~~authorized principal broker is the only becomes a~~ disclosed limited agent of both parties; ~~and~~

(c) In a real estate transaction in which one or more real estate licensees ~~associated with supervised by~~ the same ~~authorized principal broker~~ establish agency relationships with more than one party to the real estate transaction, those licensees and the ~~authorized principal broker are the only become~~ disclosed limited agents of those parties; ~~and~~

(d) In a real estate transaction in which one or more members of a real estate team as defined in HB 3137 section 13 establishes agency relationships with more than one party to the real estate transaction, the disclosed limited agents to the parties are:

(A) The members of the real estate team;

(B) An authorized principal broker who supervises or controls the members of the real estate team; and

(C) The managing principal broker.

(4) Except as provided in sections (2) and (3) above, licensees associated with the same real estate business are not agents of all clients of the real estate business.

(5) Payment, or promise of payment, of a real estate commission or other fee does not by itself create an agency relationship.

(6) A ~~managing~~ principal brokers ~~or authorized principal broker~~ acting as a disclosed limited agent under section (3) above must do each of the following:

(a) Supervise the licensees ~~associated with the principal broker~~ in fulfilling their duties and obligations to their respective clients;

(b) Avoid advocating on behalf of either the seller or the buyer; and

(c) Avoid disclosing or using, without permission, confidential information of any client with whom the ~~managing~~ principal broker ~~or authorized principal broker~~ has an agency relationship.

(7) ~~Real A real~~ estate licensees ~~s associated with a principal broker~~ who is acting as a disclosed limited agent under section (3) above must do both of the following:

(a) Serve as the agent of only the party or parties in the transaction with whom the real estate licensee has established an agency relationship; and

(b) Fulfill the duties owed to the respective client as set forth in ~~the~~ ORS 696.815 and as agreed in a disclosed limited agency agreement entered into pursuant to OAR 863-015-0210.

(8) All real estate licensees associated with a **managing** principal broker who are acting as disclosed limited agents under section (2) above must refrain from disclosing or using any confidential information relating to the other party that has been acquired as a result of the licensee's association with the **managing** principal broker, unless authorized to do so by that party.

(9) Nothing in this rule prohibits licensees from disclosing or using factual, non-confidential information relating to all parties to a transaction in order to fulfill a licensee's duties to the client under ORS 696.815.

(10) If an **authorized** principal broker acting as a disclosed limited agent under section (3) above determines that confidential information of one principal to a transaction has become known to another client in the transaction as the result of a violation of this rule, the **authorized** principal broker must promptly and fully disclose the violation to the affected client in writing.

(11) Affirmative duties under ORS 696.805 and 696.810, where appropriate, apply to the agents, principal, other principals, and the principals' agents. The duties do not, however, create fiduciary or other similar duties inconsistent with the actual legal relationship between an agent and other principals to a transaction or that principal's agents.

(12)(a) The Final Agency Acknowledgement of the agency relationships described in this rule and required by ORS 696.845 must be printed in substantially the following form:

FINAL AGENCY ACKNOWLEDGEMENT

Both Buyer and Seller acknowledge having received the Oregon Real Estate Agency Disclosure Pamphlet, and hereby acknowledge and consent to the following agency relationships in this transaction:

(1) _____ (Name of Buyer's Agent) of _____ (Name of Real Estate Firm) is the agent of (check one) ☐ The Buyer exclusively. ☐ The Seller exclusively (Seller Agency)". ☐ Both the Buyer and the Seller ("Disclosed Limited Agency").

(2) _____ (Name of Seller's Agent) of _____ (Name of Real Estate Firm) is the agent of (check one) ☐ The Seller exclusively. ☐ Both the Buyer and the Seller ("Disclosed Limited Agency").

(3) If both parties are each represented by one or more Agents in the same real estate firm, and the Agents are supervised by the same principal broker in that real estate firm, Buyer and Seller acknowledge that said principal broker shall become the disclosed limited agent for both Buyer and Seller as more fully explained in the ~~disclosed~~ Disclosed Limited Agency Agreements that have been reviewed and signed by Buyer, Seller and Agent(s).

Buyer shall sign this acknowledgment at the time of signing this Agreement before submission to Seller. Seller shall sign this acknowledgment at the time this Agreement is first submitted to Seller, even if this Agreement will be rejected or a counter offer will be made. Seller's signature to this Final Agency Acknowledgment shall not constitute acceptance of the Agreement or any terms therein.

ACKNOWLEDGED

Buyer: _____ Print _____ Dated: _____

Buyer: _____ Print _____ Dated: _____

Seller: _____ Print _____ Dated: _____

Seller: _____ Print _____ Dated: _____

(b) If incorporated as a part of a preprinted agreement, the Final Agency Acknowledgement required by subsection (a) shall appear at the top of the first page of the preprinted agreement, separate and apart from the sale agreement and shall be signed separately from the sale agreement. If the Final Agency Acknowledgement required by subsection (a) is not included within a preprinted agreement, the Final Agency Acknowledgement shall also include the property address or legal description of the subject property, a reference to the attached sale agreement, and shall include separate signature lines for buyers and sellers.

HB 3137 sections 28 and 29

863-015-0205 Disclosed Limited Agency

(1) Licensees must establish the agency relationships described in OAR 863-015-0200(1) only by written agreement. Such agreements must meet all the requirements of OAR 863-015-0210.

(2) A disclosed limited agency relationship exists when a single licensee undertakes by written agreement or **course of** conduct to represent more than one party to a real estate transaction. For the purpose of this rule, two or more buyers are involved in the same real estate transaction when all have submitted offers on the same real property.

(3) Except as provided for in section (5), a disclosed limited agency relationship exists when two or more licensees **supervised by associated with** the same **managing** principal broker undertake by written agreement or **course of** conduct to represent more than one party to a real estate transaction. Notwithstanding the other provisions of this rule, individual agents may be designated to represent the buyer exclusively or the seller exclusively as described in OAR 863-015-0200(1).

(4) The following conditions apply to the disclosed limited agency relationship described in OAR 863-015-0200(1):

(a) The **authorized** principal broker ~~with whom the licensee is associated by whom the licensee is supervised~~ must ensure that a licensee who represents one client will not have access to and will not obtain confidential information concerning another client involved in the same transaction;

(b) In situations where a real estate business has ~~more one or more authorized principal brokers who are not the managing principal broker, two or more principal brokers, each authorized principal broker~~ must be the disclosed limited agent of all clients in the transaction; unless each of the following conditions is met:

(A) The **managing** principal broker ~~s have entered into an agreement has executed a~~ written **supervisory** agreement ~~with one or more of the authorized principal brokers~~ dividing control and supervision responsibilities. ~~Principal Authorized~~ principal brokers may comply with subsection (a) above by holding open records of real estate activity in different offices or by otherwise initiating procedures that secure open records so as to prevent licensees representing different parties to the same transaction from accessing or obtaining confidential information concerning another party to the transaction;

(B) The licensees designated to represent the seller exclusively and the buyer exclusively are associated with the same **authorized principal broker**. If the **authorized** principal broker has an existing agency relationship with one party to the transaction (either as a seller's

agent or buyer's agent), the **authorized** principal broker, pursuant to the requirements of OAR 863-015-0210, must act as the disclosed limited agent of both parties, and another licensee must be designated to represent the other party exclusively; and

(C) Each client to the transaction has signed a disclosed limited agency agreement that indicates which principal broker will act as the disclosed limited agent in the transaction.

(5) If **a managing principal broker has executed a written supervisory agreement with authorized** principal brokers ~~have entered into a written supervisory agreement~~ dividing control and supervision responsibilities, and **the authorized principal brokers** have individually complied with subsection (4)(a) above by holding open records of real estate activity in different offices or by otherwise initiating procedures that secure open records in such a way as to prevent licensees representing different parties to the same transaction from accessing or obtaining confidential information concerning another principal in the transaction, then ~~a transaction involving agents supervised by with~~ different **authorized principal brokers** ~~is not creates~~ a disclosed limited agency transaction **for the managing principal broker only.**

HB 3137 sections 28, 29

863-015-0210 Disclosed Limited Agency Agreement

(1) Disclosed limited agency agreements required by ORS 696.815 must be in writing, signed and dated by the parties to be bound or by their duly appointed real estate agents.

(2) Each disclosed limited agency agreement must contain the following:

(a) The registered business name under which the representation will take place;

(b) Identification of any existing listing or service agreement between the parties to the disclosed limited agency agreement;

(c) The name(s) of the licensee(s), including the **managing** principal broker, who will represent the client; and

(d) A plain language description of the requirements of ORS 696.815;

(e) Full disclosure of the duties and responsibilities of an agent who represents more than one party to a real estate transaction. This requirement can be met by providing the client with a copy of the initial agency disclosure pamphlet required by ORS 696.820, discussing the portion of the pamphlet entitled "Duties and Responsibilities of an Agent Who Represents More than One Party to a Transaction" with the client, and incorporating the pamphlet into the disclosed limited agency agreement by reference; and

(f) Consent and agreement between the parties to the disclosed limited agency agreement regarding representation of the client in future transactions.

(3) Use of a disclosed limited agency agreement for sellers in substantially the following form is prima facie evidence of compliance with sections (1) and (2) of this rule:

Property Address _____

Addendum to Listing Agreement Dated _____

Real Estate Firm _____

DISCLOSED LIMITED AGENCY AGREEMENT FOR SELLER

The Parties to this Disclosed Limited Agency Agreement are:

Listing Agent (print) _____

Listing Agent's Principal Broker (print) _____

Seller (print) _____

Seller (print) _____

The Parties to this Agreement understand that Oregon law allows a single real estate agent to act as a disclosed limited agent — to represent both the seller and the buyer in the same real estate transaction, or multiple buyers who want to purchase the same property. It is also understood that when different agents associated with the same principal broker (the broker who directly supervises the other agents) establish agency relationships with the buyer and seller in a real estate transaction, the agents' principal broker shall be the only broker acting as a disclosed limited agent representing both seller and buyer. The other agents shall continue to represent only the party with whom they have an established agency relationship, unless all parties agree otherwise in writing.

In consideration of the above understanding, and the mutual promises and benefits exchanged here and in the Listing Agreement, the Parties now agree as follows:

(1) Seller acknowledge they have received the initial agency disclosure pamphlet required by ORS 696.820 and have read and discussed with the Listing Agent that part of the pamphlet entitled "Duties and Responsibilities of an Agent Who Represents More than One Party to A Transaction." The initial agency disclosure pamphlet is hereby incorporated into this Disclosed Limited Agency Agreement by reference.

(2) Seller, having discussed with the Listing Agent the duties and responsibilities of an agent who represents more than one party to a transaction, consent and agree as follows:

(a) The Listing Agent and the Listing Agent's Principal Broker, in addition to representing Seller, may represent one or more buyers in a transaction involving the listed property;

(b) In a transaction involving the listed property where the buyer is represented by an agent who works in the same real estate business as the Listing Agent and who is supervised by the Listing Agent's Principal Broker, the Principal Broker may represent both Seller and Buyer. In such a situation, the Listing Agent will continue to represent only the Seller and the other agent will represent only the Buyer, consistent with the applicable duties and responsibilities as set out in the initial agency disclosure pamphlet; and

(c) In all other cases, the Listing Agent and the Listing Agent's Principal Broker shall represent Seller exclusively.

Seller signature _____

Date _____

Seller signature _____

Date _____

Listing Agent signature _____

Date _____

(On their own and on behalf of Principal Broker)

Broker initial and review date _____

(4) Use of a disclosed limited agency agreement for buyers in substantially the following form is prima facie evidence of compliance with sections (1) and (2) of this rule.

Property Address _____

Addendum to Buyer Service Agreement Dated _____

Real Estate Firm _____

DISCLOSED LIMITED AGENCY AGREEMENT FOR BUYER

The Parties to this Disclosed Limited Agency Agreement are:

Buyer's Agent (print) _____

Buyer's Agent's Principal Broker (print) _____

Buyer (print) _____

Buyer (print) _____

The Parties to this Agreement understand that Oregon law allows a single real estate agent to act as a disclosed limited agent — to represent both the seller and the buyer in the same real estate transaction, or multiple buyers who want to purchase the same property. It is also understood that when different agents associated with the same principal broker (the broker who directly supervises the other agents) establish agency relationships with the buyer and seller in a real estate transaction, the agents' principal broker shall be the only broker acting as a disclosed limited agent representing both seller and buyer. The other agents shall continue to represent only the party with whom they have an established agency relationship, unless all parties agree otherwise in writing.

In consideration of the above understanding, and the mutual promises and benefits exchanged here and, if applicable, in the Buyer Service Agreement, the Parties now agree as follows:

(1) Buyer(s) acknowledge they have received the initial agency disclosure pamphlet required by ORS 696.820 and have read and discussed with the Buyer's Agent that part of the pamphlet entitled "Duties and Responsibilities of an Agent Who Represents More than One Party to A Transaction." The initial agency disclosure pamphlet is hereby incorporated into this Disclosed Limited Agency Agreement by reference.

(2) Buyer(s), having discussed with Buyer's Agent the duties and responsibilities of an agent who represents more than one party to a transaction, consent and agree as follows:

(a) Buyer's Agent and the Buyer's Agent's Principal Broker, in addition to representing Buyer, may represent the seller or another buyer in any transaction involving Buyer;

(b) In a transaction where the seller is represented by an agent who works in the same real estate business as the Buyer's Agent and who is supervised by the Buyer's Agent's Principal Broker, the Principal Broker may represent both seller and Buyer. In such a situation, the Buyer's Agent will continue to represent only the Buyer and the other agent will represent only the Seller, consistent with the applicable duties and responsibilities set out in the initial agency disclosure pamphlet;

(c) In all other cases, the Buyer's Agent and the Buyer's Agent's Principal Broker shall represent Buyer exclusively.

Buyer signature_____

Date _____

Buyer signature _____

Date _____

Buyer's Agent signature_____

Date _____

(On their own and on behalf of Principal Broker)

Broker initial and review date_____

HB 3137 sections 28, 29

863-015-0250 Professional Real Estate Activity Records and Document Transmittal Requirements

(1) Complete and adequate records of professional real estate activity include complete, legible, and permanent copies of all documents required by law or voluntarily generated during a real estate transaction, including all offers received by or through real estate brokers or principal brokers to the client, including, but not limited to, the following:

(a) A copy of any written agreement creating an agency relationship between a real estate broker or principal broker and a client that must be signed by all parties to the agreement.

(b) A copy of any written acknowledgment of an agency relationship between a real estate broker or principal broker and a client that must be signed by all parties to such acknowledgment.

(c) A copy of any written agreement for a listing, **buyer representation**, sale, purchase, rental, lease, lease option, or exchange of real property generated by a real estate broker or principal broker while engaging in professional real estate activity that must be signed by all parties to such agreement.

(d) A copy of any receipt issued by a real estate broker or principal broker to evidence acceptance of funds or documents.

(e) A copy of any vouchers or bills or obligations paid by the real estate broker or principal broker for the account of a client or customer.

(f) A copy of any other document within the scope of the agency relationship provided to or received by a client through a real estate broker or principal broker during the term of an agency relationship.

(g) All financial records as required in OAR 863-015-0255 and 863-015-0275.

(2) When a real estate **licensee broker** receives any document referred to in (1) of this rule, the real estate **licensee broker** must transmit **the document** to the **real estate broker's licensee's authorized** principal broker **the document** within 3 banking days of real estate broker's receipt of the document.

(3) In any real estate transaction in which an **authorized** principal broker performed **or supervised** the closing, the **authorized** principal broker must retain a copy of any closing statement showing **a** receipts, disbursements and adjustments, which must **evidence contain** the signatures of the seller(s) and the buyer(s).

863-015-0255 Clients' Trust Account Requirements

(1) This rule applies to clients' trust accounts that hold funds from transactions involving the sale, purchase, lease option, or exchange of real property. The purpose of clients' trust accounts is to preserve clients' monies and keep them separate from the principal broker's general and personal funds.

(2) Within 10 business days from the date a clients' trust account is opened, the **authorized** principal broker must notify the Agency using an online process established by the Agency. The notification will include the information required in ORS 696.245, including a copy of the completed and signed "Notice of Clients' Trust Account and Authorization to Examine."

(3) Within 10 business days from the date a clients' trust account is closed or transferred, the **authorized** principal broker must notify the Agency using an online process established by the Agency.

(4) ~~Principal~~ **Authorized principal** brokers must retain and store the records described in this rule as required by OAR 863-015-0250 and 863-015-0260. However, where clients' trust accounts are maintained at branch offices, the financial records described in this rule may be maintained and located either at the **managing** principal broker's main office or, if the **authorized** principal broker ~~or branch office manager~~ conducts the real estate business from that branch office, at that branch office.

(5) Checks used to disburse funds from a clients' trust account must be pre-numbered, issued from one numbering sequence, and bear the words "Clients' Trust Account" or "Client Trust Account" upon the face thereof. Principal brokers must account for all checks, including voided checks, as a part of the records they maintain.

(6) A **managing** principal broker may not use **or allow the use of** any form of debit card on clients' trust accounts.

(7) The **authorized principal broker** must retain a copy of each executed agreement required under ORS 696.241 and OAR 863-015-0265 for interest-bearing clients' trust accounts.

HB 3137 sections 5, 14, 15, 16, 20

863-015-0257 Receiving and Disbursing Funds

(1) A real estate broker ~~or principal broker~~ must deliver to the ~~real estate broker's~~ **authorized principal broker** within three banking days any money, checks, drafts, warrants, promissory notes, or other consideration received while conducting professional real estate activity. Absent the buyer's written instructions to the contrary, the real estate broker must transmit all earnest monies to the **authorized** principal broker within three banking days of receipt.

(2) If a real estate broker or principal broker receives a check as earnest money in a transaction:

(a) The check may be held un-deposited until the offer is accepted or rejected, provided that the written sale agreement states that the real estate broker or principal broker is holding the check un-deposited and further states where and when the check will be deposited upon acceptance of the offer; or

(b) If the check is made payable to the seller, the check may be held until the offer is accepted or rejected provided that the written sale agreement states that the real estate broker or principal broker is holding the check until acceptance of the offer.

(3) For a check held pursuant to section (2), the real estate broker or principal broker within three banking days following the acceptance of the offer or a subsequent counter offer must:

(a) Deposit the check into a clients' trust account established under ORS 696.241;

(b) Deposit the check to a licensed neutral escrow depository located within this state, tracking the earnest money deposit from the buyer to the principal broker and to the escrow depository; or

(c) For a check made payable to the seller, deliver the check to the seller.

(4) For all other funds not earnest money, whether in the form of money, checks, drafts or warrants belonging to others and received by a real estate broker or principal broker while engaged in professional real estate activity, the real estate broker or principal broker within five banking days following receipt of the funds must:

(a) Deposit the funds to a licensed neutral escrow depository located within this state;

(b) Deposit the funds into a clients' trust account established under ORS 696.241; or

(c) For a check made payable to the seller, deliver the check to the seller.

(5) If an **authorized** principal broker accepts a credit card payment as funds in a real estate transaction:

(a) The face amount of the credit card payment, without reducing the face amount by any merchant's discount and processing fee charged to the principal broker, is the amount he or she must maintain, use, and refund as necessary; or

(b) The face amount of the credit card payment, reduced by any merchant's discount and processing fee, may be maintained and used by the **authorized** principal broker when he or she has a separate written agreement signed by the credit card user authorizing this reduction. The face amount, including any merchant's discount and processing fees paid by the credit card user, must be refunded to the credit card user when a refund is necessary;

(c) The **authorized** principal broker may not benefit from any of the merchant's discounts or processing fees generated by the use of a credit card;

(d) An **authorized** principal broker's clients' trust account may not be charged or debited for any merchant's discount or processing fees for use of the credit card in such transaction.

(6) If a real estate licensee is a principal in an offer or transaction, all earnest money or other deposits must be handled as provided in OAR 863-015-0145.

(7) All funds deposited into a clients' trust account established under ORS 696.241 and not disbursed or transferred to a neutral escrow depository pursuant to the sale agreement may only be disbursed:

(a) To individuals, as directed by order of court of competent jurisdiction;

(b) To individuals, as directed in writing by one or more principals;

(c) To the court, upon filing by the principal broker of an interpleader action for disputed earnest money funds; or

(d) As provided in OAR 863-015-0186.

(8) If interest earned in a clients' trust account under OAR 863-015-0265 inures to the benefit of the **managing** principal broker, such interest must be disbursed to the **managing** principal broker within ten calendar days from the date of the bank statement on which such interest first appears.

(9) If any forfeited earnest money, earnest money or other money is being paid to the principal broker for compensation and is being held in the client's trust account at the time the transaction is completed or terminated, the money must be disbursed to the **managing**

principal broker within ten calendar days from the date the transaction is completed or terminated.

HB 3137 sections 1, 14, 20

863-015-0259 Recordkeeping and Tracking of Received Funds

(1) For all funds received under OAR 863-015-0257, the **authorized** principal broker must comply with the following requirements:

- (a) Account for all funds received,
- (b) Maintain a copy of any check received, and
- (c) Maintain a dated, acknowledged receipt for any check returned to the offeror.

(2) For all checks received under OAR 863-015-0257 made payable to the seller, the principal broker must also keep the following information:

- (a) Date received,
- (b) Name of payor,
- (c) Purpose of payment,
- (d) File reference assigned to the offer or transaction,
- (e) Date delivered to seller, and
- (f) Documentation of delivery to the seller.

(3) Every deposit made under ORS 696.241 must be made with deposit slips identifying each offer or transaction by a written notation of the file reference assigned to the offer or transaction.

(4) **Principal brokers** **Authorized principal brokers** must maintain a complete ledger account and record all funds received in their professional real estate activity. This ledger account must show:

- (a) From whom the funds were received,
- (b) The date the funds were received,
- (c) The date the funds were deposited,
- (d) Where the funds were deposited, and
- (e) When the transaction has been completed or the offer has failed, the final disposition of the funds.

(5) **Principal brokers** **Authorized principal brokers** must record and track the transfer of promissory notes and other forms of consideration by a ledger account or by other means

including, but not limited to, written proof of transmittal or receipt retained in their offer or transaction file.

HB 3137 sections 14, 20

863-015-0260 Records Retention

(1) ~~Principal~~ Authorized principal brokers must maintain and store complete and accurate records of professional real estate activity, ~~including any items generated through email or other electronic means~~, pursuant to ORS 696.280 and OAR 863-015-0250. as follows:

(2) Authorized principal brokers must store records in a secure location protected from unauthorized access.

(3) Records must be stored in a way that prevents unauthorized alteration.

(4) Authorized principal brokers must maintain records in a manner that readily allows for inspection by the Commissioner or the Commissioner's authorized representatives under ORS 696.280.

(5) Authorized principal brokers must, at their expense, provide copies of any records the Agency requests in the manner and form as directed by the Agency.

(6) Electronic signature records and document routing information must be preserved when electronic signature services are used.

~~(a) Records of professional real estate activity may be stored at the principal broker's main office, and records of professional real estate activity originating at a branch office may be maintained and stored at either that branch office or at the principal broker's main office.~~

~~(b) A principal broker may store records of professional real estate activity in a single location within this state other than his or her office, main office, or branch office, in which the records are readily available for inspection, if the principal broker first:~~

~~(A) Notifies the commissioner in writing of the intended removal of such records, includes the address of the new location for such records, and~~

~~(B) Authorizes the commissioner in writing to inspect such records at the new location. Such authorization must include the name of any necessary contact and the means of gaining access to the records for an inspection. The principal broker must notify the commissioner of any change in the contact or means of access within ten days after such change occurs.~~

~~(2) A principal broker must maintain at the principal broker's office a means of viewing copies of documents or records. A principal broker must provide, at his or her expense, a paper copy of any document or record the Agency requests.~~

~~(3) A principal broker may use electronic image storage media to retain and store copies of all listings, deposit receipts, canceled checks, clients' trust account records, and other~~

documents executed by him or her or obtained by him or her in connection with any professional real estate activity transaction under the following conditions:

(a) The electronic image storage must be non-erasable "write once, read many" ("WORM") that does not allow changes to the stored document or record;

(b) The stored document or record is made or preserved as part of and in the regular course of business;

(c) The original record from which the stored document or record was copied was made or prepared by the principal broker, or its employees at or near the time of the act, condition, or event reflected in the record;

(d) The custodian of the record is able to identify the stored document or record, the mode of its preparation, and the mode of storing it on the electronic image storage;

(e) The electronic image storage media contains a reliable indexing system that provides ready access to a desired document or record, appropriate quality control of the storage process to ensure the quality of imaged documents or records, and date-ordered arrangement of stored documents or records to ensure a consistent and logical flow of paperwork to preclude unnecessary search time; and

(f) At least once each month, the principal broker backs up any data that is stored in the computerized system necessary to produce the records. The back up data must be retained for no less than 60 days and must be made available to the Commissioner or to the Commissioner's authorized representatives on demand.

HB 3137 sections 6, 20

863-015-0275 Clients' Trust Account Reconciliation and Records

- (1) ~~A principal real estate broker~~ An authorized principal broker must reconcile each clients' trust account at least once each month. The reconciliation must comply with all of the following conditions:
 - (2) The reconciliation must have three components:
 - (a) The bank statement balance, adjusted for outstanding checks and other reconciling bank items;
 - (b) The balance of the receipts and disbursements journal or check book register as of the bank statement closing date; and
 - (c) The sum of all the balances of the individual trust account ledgers as of the bank statement closing date.
 - (3) The balances of each component of the reconciliation must be equal to and reconciled with each other. If any adjustment is needed, the adjustment must be clearly identified and explained.
 - (4) The authorized principal broker must verify, sign, and date the reconciliation when completed.
 - (5) Outstanding checks must be listed by check number, issue date, payee, and amount.
 - (6) The authorized principal broker must preserve and file in logical sequence the reconciliation worksheet, bank statements, and all supporting documentation, including but not limited to, copies of the receipts and disbursements journal or check book register and a listing of each individual clients' trust fund account with a balance as of the reconciliation date. If these records are computerized, they must be printed out for filing with the reconciliation.
 - (7) All reconciling items must be identified and cleared promptly.

HB 3137 sections 14, 16, 20

Division 20 – REAL ESTATE CONTINUING EDUCATION

863-020-0000 Applicability and Purpose

(1) This division applies to ~~licensed~~ real estate brokers, principal real estate brokers, and real estate property managers; licensees. It also applies to continuing education providers; and instructors who teach courses for continuing education providers. It does not apply to timeshare sales agents.

(2) For all applicable real estate licensees, the purpose of this division is to set forth continuing education requirements for licensee renewals, including:

(a) Courses that meet the requirements for course topics and learning objectives in this division 20;

(b) A Board-approved Law and Rule Required Course, described in OAR 863-022-0055, required for all applicable licensees;

(c) A Board-approved State and Federal Fair Housing Course, described in OAR 863-022-XXXX, required for all applicable licensees;

~~(c)~~(d) A ~~27~~26-hour broker advanced practices course, described in OAR 863-022-0020, required for real estate brokers before the first active renewal of the broker's license or before the first license reactivation following an inactive first renewal;

~~(d)~~(e) A ~~27~~26-hour principal broker advanced practices course described in OAR 863-022-0021, required for principal real estate brokers before the first active renewal of the principal broker's license or before the first license reactivation following an inactive first renewal;

~~(e)~~(f) A ~~27~~26-hour property manager advanced practices course described in OAR 863-022-0022, required for licensed real estate property managers before the first active renewal of the property manager's license or before the first license reactivation following an inactive first renewal;

~~(f)~~(g) The 40-hour brokerage administration and sales supervision course, described in OAR 863-022-0025, for an initial principal real estate broker license application; and

~~(f)~~(g) Continuing education record-keeping requirements for all applicable licensees.

(3) For continuing education providers, the purpose of this division is to set forth:

(a) The application requirements for certification as a real estate continuing education course provider; and

(b) The responsibilities of continuing education course providers; including:

(A) Ensuring that courses offered by the provider meet the eligible course topics, learning objectives, and length of course requirements;

(B) Maintaining required records in paper or electronic format, as directed by the Agency.

(C) Providing real estate licensees with certificates of completion for each course that meet the requirements for certificates of completion; and

(D) Ensuring that each instructor who will teach a course offered by a provider meets instructor qualifications and completes a continuing education instructor form.

(4) For instructors who teach courses for continuing education providers, the purpose of this division is to set forth the instructor qualifications, set out on the instructor form that is completed by the instructor and given to the continuing education provider.

HB 3137 section 9, 10 and HB 2373 section 9

863-020-0005 Definitions

As used in this division, unless the context requires otherwise:

- (1) "Agency" means the Oregon Real Estate Agency.
- (2) "Applicant" means either an individual as defined in section ~~(7)~~ (8) of this rule, or a person as defined in section ~~(10)~~ (12) of this rule.
- (3) "Board" means the Oregon Real Estate Board.
- (4) "Commissioner" means the Real Estate Commissioner.
- (5) "Continuing education credit hour" means one hour of instruction provided by a continuing education provider.
- (6) "Continuing education provider" means a person certified by the Agency under OAR 863-020-0030 to offer real estate continuing education courses that are eligible for credit. The continuing education courses are taught by an instructor.
- (7) "Course identification number" means a unique four-digit identifying course number assigned by a continuing education provider or as assigned by the Oregon Real Estate Agency.
- (8) "Individual" means a human being, not a legal entity.
- (9) "Instructor" means an individual who teaches, for a continuing education provider, a real estate continuing education course that is eligible for credit. An instructor must meet the qualifications in ORS 696.186 and OAR 863-020-0060. The Agency does not certify instructors.
- (10) "Law and Rule Required Course" is that course described in OAR 863-022-0055.
- (11) "Licensed real estate property manager" is defined in ORS 696.010.
- (12) "Person" means any individual, partnership, corporation, association, governmental subdivision, or public or private organization of any character other than a government agency.
- (13) "Principal real estate broker" is defined in ORS 696.010.
- (14) "Provider number" means a unique identifying number assigned by the Agency to a certified continuing education provider under OAR 863-020-0030.
- (15) "Real estate broker" is defined in ORS 696.010.

(16) “Real estate licensee” is defined in ORS 696.010 and includes a ~~real~~ real estate broker, principal real estate broker, and a real estate property manager~~;~~, but does not include timeshare sales agents for the purposes of this division.

(17) “State and federal fair housing course” means the course in state and federal housing laws provided in HB 3137 section 9 and described in OAR 863-022-XXXX.

(17) “Broker advanced practices course” means the advanced course in real estate practices provided in ORS 696.174.

(18) “Property manager advanced practices course” means the advanced course in property management practices provided in ORS.696.174.

(19) “Principal broker advanced practices course” means the advanced course in brokerage practices provided in ORS 696.174.

HB 3137 sections 9, 10 and HB 2373 section 9

863-020-0010 License Renewal Continuing Education Requirements

- (1) This rule applies to all real estate licensees **except timeshare sales agents.**
- (2) To renew an active license, a real estate licensee must provide course information in an online renewal application which demonstrates that the licensee:
 - (a) Has completed at least **27-26** hours of real estate continuing education that are eligible for credit under OAR 863-020-0035 and 863-020-0040 during the two years preceding renewal **and,**
 - (b) Has completed the Board-approved Law and Rule Required Course described in OAR 863-022-0055 **-, and**
 - (c) Has completed the Board-approved State and Federal Fair Housing Course described in OAR 863-022-XXXX.**
- (3) To renew an active license for the first time or before the first license reactivation following an inactive first renewal, a real estate broker, a principal real estate broker, or a licensed real estate property manager must provide course information in the online renewal or reactivation application which demonstrates compliance with the following:
 - (a) A real estate broker must complete:
 - (A) the 27**The 26-hour broker advanced practices course described in OAR 863-022-0020 **-,**
 - (B) A real estate broker must also take the** A Law and Rule Required Course described in OAR 863-022-0055 **and**
 - (c) A State and Federal Fair Housing Course described in OAR 863-022-XXXX.**
 - (b) (d)** A principal real estate broker must complete:
 - (A) the 27**The 26-hour principal broker advanced practices course described in OAR 863-022-0021 **-,**
 - (B) A principal real estate broker must also take the** A Law and Rule Required Course described in OAR 863-022-0055 **-, and**
 - (C) A State and Federal Fair Housing Course described in OAR 863-022-XXXX.**
 - (c) (e)** A licensed real estate property manager must complete:
 - (A) the 27**The 26-hour property manager advanced practices course described in OAR 863-022-0022 **-,**

~~(B) A licensed real estate property manager must also take the~~ A Law and Rule Required Course described in OAR 863-022-0055-, and

~~(C) A State and Federal Fair Housing Course described in OAR 863-022-XXXX.~~

(4) A real estate licensee will not be given credit for repeating a continuing education course with the same content during a two-year renewal period.

(5) A licensee who falsely certifies that the licensee has completed the required continuing education violates sections (2) or (3) of this rule and is subject to discipline under ORS 696.301.

HB 3137 sections 4, 9

863-020-0015 Licensee Records

(1) A real estate licensee must maintain the licensee's certificates of completion the licensee received from continuing education providers for three years after the renewal date for which the continuing education credit applies.

(2) An **authorized** principal broker is not required to maintain the continuing education records of a real estate broker, **principal real estate broker**, or ~~a~~ property manager ~~associated with~~ **under the supervision of** the **authorized** principal broker.

(3) Upon request by the Agency, a licensee must produce a copy of the records required under this rule.

HB 3137 section 9

863-020-0035 Courses Offered by Continuing Education Providers

(1) This rule applies to continuing education courses offered by continuing education providers except for the broker advanced practices course, the principal broker advanced practices course, the property manager advanced practices course, and the brokerage administration sales and supervision course. If the provider wishes to offer those courses, the provider may seek separate course approval under OAR chapter 863, division 22.

(2) A continuing education provider must ensure that a specific class or course offered is within the scope of one or more course topics listed in section (4) or (5) of this rule. The provider must also identify to real estate licensees which course topic(s) is covered by the course. The Agency will not determine whether individual courses or classes are within the scope of an eligible course topic.

(3) Each course offered for continuing education credit:

- (a) Must meet all course requirements under this rule,
- (b) Must meet the requirements for the length of the course under OAR 863-020-0007,
- (c) Must meet the requirements for learning objectives in OAR 863-020-0045, and
- (d) May be presented in a classroom or online setting.

(4) The following course topics are eligible for real estate continuing education credit required by ORS 696.174 and OAR 863-020-0010:

- (a) Principal broker or property manager record-keeping.
- (b) Principal real estate broker supervision responsibilities.
- (c) Principal broker or property manager clients' trust accounts.
- (d) Agency relationships and responsibilities for brokers, principal brokers, or property managers.
- (e) Misrepresentation in real estate transactions.
- (f) Property management.
- (g) Advertising regulations.
- (h) Real estate disclosure requirements.
- (i) Real estate consumer protection.
- (j) Anti-trust issues in real estate transactions.

- (k) Commercial real estate.
- (L) Real estate contracts.
- (m) Real estate taxation.
- (n) Real estate property evaluation, appraisal, or valuation.
- (o) Fair Housing laws or policy.
- (p) Managing a real estate brokerage.
- (q) Business ethics.
- (r) Risk management.
- (s) Dispute resolution.
- (t) Real estate finance.
- (u) Real estate title.
- (v) Real estate escrows.
- (w) Real estate development.
- (x) Condominiums.
- (y) Subdivisions.
- (z) Unit owner or home owner associations.
- (aa) Timeshares.
- (bb) Water rights.
- (cc) Environmental protection issues in real estate.
- (dd) Land use planning, zoning, or other public limitations on use.
- (ee) Real estate economics.
- (ff) Real estate law or regulation.
- (gg) Negotiation.

(5) The Law and Rule Required Course **as described in OAR 863-022-0055** is eligible for continuing education credit.

(6) The State and Federal Fair Housing Course as described in OAR 863-022-XXXX is eligible for continuing education credit.

(7) The required course for timeshare sales agents as described in OAR 863-022-XXXX is eligible for continuing education credit for real estate brokers and principal real estate brokers only.

~~(6)~~ (7) The following do not fall within the scope of an eligible continuing education course topic listed under section (4) of this rule:

- (a) Real estate broker or property manager pre-licensing courses.
- (b) Examination preparation classes.
- (c) Sales meetings.
- (d) Motivational classes or seminars.
- (e) Time management classes or seminars.
- (f) Sales and marketing classes or seminars.
- (g) Psychology classes or seminars.
- (h) Trade association orientation courses.
- (i) Courses in standardized computer software programs not specifically related to the topics listed in section (4) of this rule.
- (j) Courses with content that is specific to another state or jurisdiction.

HB 3137 section 9

863-020-0040 Certain Courses Required for License Renewal that are Also Eligible for Continuing Education Credit

- (1) In addition to the eligible courses under OAR 863-020-0035 the courses listed in subsection (2) through (4) of this rule are eligible for continuing education credit.
- (2) An Agency-approved ~~27-26~~-hour broker advanced practices course that meets the requirements of OAR 863-022-0020.
- (3) An Agency-approved ~~27-26~~-hour principal broker advanced practices course that meets the requirements of OAR 863-022-0021.
- (4) An Agency-approved ~~27-26~~-hour property manager advanced practices course that meets the requirements of OAR 863-022-0022.
- (5) An Agency-approved 40-hour brokerage administration and sales supervision course that meets the requirements of OAR 863-022-0015.
- (6) Certification as a continuing education provider does not authorize the provider to offer the broker advanced practices course, the principal broker advanced practices course, the property manager advanced practices course, or the brokerage administration sales and supervision course. If the provider wishes to offer those courses, the provider may seek separate course approval under OAR chapter 863, division 22.

HB 3137 sections 4, 9

863-020-0050 Continuing Education Provider Responsibilities

(1) For each course offered, a continuing education provider must:

(a) Ensure that a course offered for continuing education credit is within the scope of one or more course topics listed in OAR 863-020-0035(3) or is a Law and Rule Required Course under OAR 863-022-0055;

(b) Identify to real estate licensees the course eligibility for continuing education credit as one of the following:

(A) A continuing education course under OAR 863-020-0035 and which course topic(s) the offered course covers,

(B) The course is the Law and Rule Required Course under OAR 862-022-0055,

(C) The course is the broker advanced practices course under OAR 863-022-0020,

(D) The course is the principal broker advanced practices course under OAR 863-022-0021~~;~~,

(E) The course is the property manager advanced practices course under OAR 863-022-0022, ~~or~~

(F) The course is the brokerage administration and sales supervision course under OAR 863-022-0025~~;~~, or

(G) The course is the State and Federal Fair Housing Course under OAR 863-022-XXXX;

(c) Ensure that the course meets the requirements for the length of a course under OAR 863-20-0007;

(d) Assign to each course a unique identifying course number;

(e) Ensure that courses offered under OAR 863-020-0035 meet the learning objective requirements contained in 863-020-0045; and

(f) Ensure that the instructor who teaches a continuing education course offered for credit:

(A) Meets the requirements set forth in ORS 696.186, and

(B) Completes and signs the form required by OAR 863-020-0060.

(2) A continuing education provider may provide the broker advanced practices course, the principal broker advanced practices course, the property manager advanced practices course, or the brokerage administration and sales supervision course only if the provider and the course have been approved under OAR 863, division 22.

- (3) A continuing education provider must keep records as required by OAR 863-020-0055.
- (4) A continuing education provider must give each licensee who completes a course a completed certificate of completion that includes:
- (a) The licensee's name and license number;
 - (b) The name of the course;
 - (c) The name of the certified course provider and provider number;
 - (d) The course identification number assigned by the course provider or as assigned by the Oregon Real Estate Agency;
 - (e) Identification of the course eligibility for continuing education credit as one of the following:
 - (A) A continuing education course under OAR 863-020-0035 and which course topic(s) the offered course covers,
 - (B) The course is the Law and Rule Required Course under OAR 862-022-0055,
 - (C) The course is the broker advanced practices course under OAR 863-022-0020,
 - (D) The course is the principal broker advanced practices course under OAR 863-022-0021~~;~~,
 - (E) The course is the property manager advanced practices course under OAR 863-022-0022, ~~or~~
 - (F) The course is the brokerage administration and sales supervision course under OAR 863-022-0025~~;~~, ~~or~~
 - (G) The course is the State and Federal Fair Housing Course under OAR 863-022-XXXX;
 - (f) The date and location of the course;
 - (g) The length of time of each course; and
 - (h) The name of the instructor who taught the course.

HB 3137 section 9

Division 22 – LICENSE APPLICANT COURSE REQUIREMENT AND COURSE APPROVAL

863-022-0000 Applicability and Purpose

(1) This division applies to:

(a) Real estate license applicants,

(b) Real estate licensees,

(c) Persons seeking Agency approval of the following courses:

(A) The education courses for real estate broker license applicants, ~~and~~

(B) The education course for property manager license applicants~~-, and~~

~~(C) The education course for timeshare sales agents.~~

(d) Certified continuing education providers seeking approval of the following courses:

(A) The brokerage administration and sales supervision course for principal broker license applicants,

(B) The broker advanced practices course required for real estate brokers seeking their first active license renewal,

(C) The principal broker advanced practices course required for principal real estate brokers seeking their first active license renewal, or

(D) The property manager advanced practices course for licensed real estate property managers seeking their first active renewal.

(e) Certified continuing education providers who offer the Law and Rule Required Course described in OAR 863-022-0055.

~~(f) Certified continuing education providers who offer the State and Federal Fair Housing Course.~~

(2) This division sets forth the following course requirements for license applicants and licensees:

(a) The course of study required by OAR 863-014-0035 for real estate broker license applicants;

(b) The course required by OAR 863-024-0045 for property manager license applicants;

(c) The brokerage administration and sales supervision course required by OAR 863-014-0040 for principal broker license applicants;

(d) The broker advanced practices course required by OAR 863-020-0010 for real estate brokers seeking their first active license renewal;

(e) The principal broker advanced practices course required by OAR 863-020-0010 for principal real estate brokers seeking their first active license renewal; ~~and~~

(f) The property manager advanced practices course required by OAR 863-020-0010 for licensed real estate property managers seeking their first active renewal; ~~and~~

~~(g) The course required by OAR 863-0XX-XXXX for timeshare sales agents.~~

(3) This division sets forth the application processes for Agency approval of the following:

(a) The course of study required by OAR 863-014-0035 for real estate broker license applicants ~~or~~, the course required by ~~OAR~~ 863-024-0045 for property manager license applicants, ~~or the course required by OAR 863-XXX-XXXX for timeshare sales agents;~~

(b) The brokerage administration and sales supervision course required by OAR 863-014-0040 for principal broker license applicants;

(c) The broker advanced practices course required by OAR 863-020-0010 for real estate brokers seeking their first active license renewal;

(d) The principal broker advanced practices course required by OAR 863-020-0010 for principal real estate brokers seeking their first active license renewal;

(e) The property manager advanced practices course required by OAR 863-020-0010 for licensed real estate property managers seeking their first active renewal; ~~and~~

(f) The Law and Rule Required Course required for all actively renewing licensees under OAR 863-020-0010, ~~excluding timeshare sales agents;~~ ~~and~~

~~(g) The State and Federal Fair Housing Course required for all actively renewing licensees under OAR 863-020-0010.~~

HB 3137 section 9 and HB 2373 sections 4, 9

863-022-0005 Definitions

As used in this division, unless the context requires otherwise:

(1) “Agency” means the Oregon Real Estate Agency.

~~(2) “Associated broker” means a broker that is “associated with,” as that term is defined in ORS 696.010, a principal real estate broker.~~

~~(3)~~ (2) “Board” means the Oregon Real Estate Board.

~~(4)~~ (3) “Certified continuing education provider” means a person certified by the Agency under OAR 863-020-0030 to offer real estate continuing education courses that are eligible for credit under 863-020-0035 and 863-020-0040. The continuing education courses are taught by an instructor.

~~(5)~~ (4) “Clock-hour” is a 60-minute hour, excluding meal or rest breaks.

~~(6)~~ (5) “Commissioner” means the Real Estate Commissioner.

~~(7)~~(6) “Individual” means a human being, not a legal entity.

~~(8)~~ (7) “In-state community colleges, colleges, and universities” means:

(a) Campuses and centers that are part of an accredited public university listed in ORS 352.002;

(b) Oregon community colleges established and operated under ORS Chapter 341; and

(c) Accredited private and independent institutions of higher education, as that term is defined in ORS 352.720, that are located in Oregon.

~~(9)~~(8) “Law and Rule Required Course” means that course described in OAR 863-022-0055.

~~(10)~~ (9) “Person” means any individual, partnership, corporation, association, governmental subdivision, or public or private organization of any character other than a government agency.

~~(11)~~ (10) “Private career schools” means private career schools licensed by the Oregon Department of Education and approved by the Agency to provide the 150-hour real estate license applicant course of study under OAR 863-022-0010, the 60-hour property manager license applicant courses under 863-022-0015, or both.

~~(12)~~ (11) “Principal broker” means “principal real estate broker,” as defined in ORS 696.010.

~~(13)~~(12) “Property manager” means “licensed real estate property manager,” as defined in ORS 696.010.

~~(14)~~(13) “Real estate broker” is defined in ORS 696.010.

~~(15)~~(14) “Real estate licensee” is defined in ORS 696.010.

(15) “State and Federal Fair Housing Course” means that course described in OAR 863-022-XXXX.

(16) “Timeshare sales agent” is defined in HB 2373 section 1.

HB 3137 section 9 and HB 2373 section 1

863-022-XXXX Course Requirements for Timeshare Sales Agent License Applicants

(1) The course required by OAR 863-XXX-XXXX for timeshare sales agent license applicants consists of a 14 clock-hour Agency-approved timeshare sales agent course. The timeshare sales agent course covers the specialized area of timeshare sales agents, including Oregon's legal requirements.

(a) A course offered by private career schools must be approved by the Agency under OAR 863-022-0030.

(b) A course offered by in-state community colleges, colleges, and universities must be approved by the Agency under OAR 863-022-0035.

(2) The 14-hour timeshare sales agent course prepares the applicant for the timeshare sales agent license examination. To be eligible for credit, the 14-hour course must include 14 clock-hours allocated among topics in the number of hours as follows:

(a) (___ hours) Ethics.

(b) (___ hours) Applicable laws and rules relating to timeshares.

(c) (___ hours) The principles and practices of selling timeshares.

(3) A license applicant must complete the Agency-approved timeshare sales agent course through a private career school or an in-state community college, college, or university, as those terms are defined in OAR 863-022-0005.

(4) To receive credit for a course provided by a private career school, an applicant must complete the course and receive a passing score of at least 75% on a final exam.

(5) The timeshare sales agent applicant course is eligible for continuing education credit for real estate brokers and principal real estate brokers only under OAR 863-020-0010.

HB 2373 section 4

863-022-0020 Advanced Practices Course Requirement and Proficiency Assessment for the First Active Renewal of Broker License

(1) The course required by OAR 863-020-0010 before the first active renewal of a real estate broker license, or before the first license reactivation following an inactive first renewal, is an Agency-approved broker advanced practices course.

(2) In order to renew a license, a real estate broker who completes the ~~27-hour~~ course described in section (3) of this rule must also complete the Law and Rule Required Course and the State and Federal Fair Housing course required under OAR 863-020-0010 .

(3) An Agency-approved broker advanced practices course must **consist of 26 clock-hours** covering the following topics, with a minimum of 1 clock-hour for each topic ~~include 27 clock-hours allocated among topics in the number of hours as follows:~~

- (a) ~~(9 hours)~~ Business ethics;
- (b) ~~(3 hours)~~ Review of recent administrative actions issued by the Agency;
- (c) ~~(4.5 hours)~~ Property management;
- (d) ~~(3 hours)~~ Business economics;
- (e) ~~(3 hours)~~ Advanced agency relationships, including dual representation;
- (f) ~~(4.5 hours)~~ Misrepresentation and negligence;-
- (g) Negotiations;
- (h) Effective communications with clients and other licensees; and
- (i) Real Estate contracts

(4) To receive credit for the broker advanced practices course, a real estate broker must complete the course, ~~including a final examination~~, and receive a passing score of at least 75% on a final examination **containing 60 questions**.

(5) The final examination in section (4) must include a practical skills assessment that presents one or more case studies or hypothetical scenarios involving a real estate transaction. The assessment must require the real estate broker to demonstrate the ability to:

- (a) Identify and address issues that present risks to the client;
- (b) Draft a real estate contract that reflects the client's objectives; and

(c) Maintain effective communication protocols with the client and other licensees involved in the transaction.

~~(5)~~ (6) The licensee must obtain a certificate of course completion and maintain it as required by OAR 863-020-0015.

~~(6)~~ (7) The broker **advanced** practices course, ~~and~~ the Law and Rule Required Course, ~~and~~ the **State and Federal Fair Housing Course** are eligible for continuing education credit under OAR 863-020-0010.

HB 3137 section 9

863-022-0021 Advanced Practices Course Requirement and Proficiency Assessment for the First Active Renewal of Principal Broker License

- (1) The principal broker advanced practices course required by OAR 863-020-0010 before the first active renewal of a principal broker license, or before the first license reactivation following an inactive first renewal, is an Agency approved ~~27-hour~~ principal broker advanced practices course.
- (2) A principal broker who is required to take the advanced practices course in order to renew a license must also complete the Law and Rule Required Course and the State and Federal Fair Housing course required under OAR 863-020-0010.
- (3) An Agency-approved principal broker advanced practices course must consist of 26 clock-hours covering the following topics, with a minimum of 1 clock-hour for each topic ~~include 27 clock-hours allocated among topics in the number of hours as follows:~~
 - (a) ~~(4 hours)~~ Brokerage Practices;
 - (b) ~~(4 hours)~~ Supervision and Managing Real Estate Licensees;
 - (c) ~~(3 hours)~~ Clients' Trust Accounts;
 - (d) ~~(3 hours)~~ Records and Maintenance;
 - (e) ~~(4 hours)~~ Property Management;
 - (f) ~~(3 hours)~~ Advertising;
 - (g) ~~(3 hours)~~ Affirmative Duties of Agent & Agency Relationships;
 - (h) (3 hours) Professional Real Estate Activity;
- (4) To receive credit for an advanced practices course, a principal broker must complete the course and receive a passing score of at least 75% on a final examination containing 60 questions.
- (5) The final examination described in Section (4) must include a practical skills assessment that presents one or more case studies or hypothetical scenarios involving a real estate transaction. The case studies or hypothetical scenarios must include an authorized principal broker as defined in OAR 863-015-0003, one or more brokers under the supervision of that authorized principal broker, examples of harm to a client or consumer of real estate services, and examples of conflict between a buyer and seller or their agents. The assessment must measure the real estate principal broker's ability to identify:

- (a) Issues that present harm or risks of harm to the client or consumer;
- (b) Office policies that could have prevented the harm or mitigated the risk of harm to the clients or consumers;
- (c) Supervision and training protocols that could have prevented the harm or mitigated the risk of harm to the clients or consumers;
- (d) Effective communication and conflict resolutions strategies; and
- (e) Conduct that is above and conduct that is below the standard of care for real estate licensees in Oregon.

~~(5)~~ (6) The licensee must obtain a certificate of course completion and maintain it as required by OAR 863-020-0015.

~~(6)~~(7) The principal broker advanced practices course , ~~and~~ the Law and Rule Required Course, ~~and the State and Federal Fair Housing Course~~ are eligible for continuing education credit under OAR 863-020-0010.

863-022-0022 Property Manager Advanced Practices Course Requirement for the First Active Renewal of License

(1) The property manager advanced practices course required by OAR 863-020-0010 before the first active renewal of a property manager license, or before the first license reactivation following an inactive first renewal, is an Agency-approved ~~27-hour~~ property manager advanced practices course.

(2) A property manager who is required to take the advanced practices course in order to renew a license must also complete the Law and Rule Required Course ~~and the State and Federal Fair Housing course~~ required under OAR 863-020-0010.

(3) An Agency-approved property manager advanced practices course must ~~consist of 26 clock-hours covering the following topics, with a minimum of 1 clock-hour for each topic include 27 clock-hours allocated among topics in the number of hours as follows:~~

- (a) ~~(2 hours)~~ Agency law and affirmative duties in ORS 696.890;
- (b) ~~(2 hours)~~ Property management agreements;
- (c) ~~(3 hours)~~ Managing the operation of a property management company;
- (d) ~~(3 hours)~~ ~~(4 hours)~~ Clients' trust accounts and security deposits accounts;
- (e) ~~(6 hours)~~ Property management accounting;
- (f) ~~(2 hours)~~ Oregon Residential Landlord and Tenant Act under ORS Chapter 90;
- ~~(g) (2 hours) Fair Housing Laws;~~
- ~~(g)(h) (2 hours)~~ Property management records;
- ~~(h)(i) (2 hours)~~ Real Estate License Law under ORS Chapter 696;
- ~~(i)(j) (1.5 hours)~~ Commercial property management;
- ~~(j)(k) (1.5 hours)~~ Emergency plans, energy management plans, maintenance and repair.

(4) To receive credit for an advanced practices course, a property manager must complete the course and receive a passing score of at least 75% on a final examination containing 60 questions.

(5) The final examination described in Section (4) must include a practical skills assessment that presents one or more case studies or hypothetical scenarios involving the management of rental real estate. The assessment must measure the real estate property manager's ability to:

- (a) Identify and adhere to the requirements for maintaining client trust accounts;
 - (b) Understand the accounting distinctions between single and multiple owner accounts;
 - (c) Understand the accounting distinctions between single and pooled security deposit accounts;
 - (d) Complete monthly reconciliations and identify and resolve discrepancies; and
 - (e) Understand the supervisory responsibilities of a property manager, when a written delegation of authority is needed, and the information required in a written delegation of authority.
- (6)(5) The licensee must obtain a certificate of course completion and maintain it as required by OAR 863-020-0015.
- (7)(6) The property manager advanced practices course , ~~and~~ the Law and Rule Required Course, ~~and the State and Federal Fair Housing Course~~ are eligible for continuing education credit under OAR 863-020-0010.

HB 3137 section 9

863-022-0030 Agency Approval of Education Courses Provided by Private Career Schools

(1) Private career schools that wish to provide the real estate broker license applicant ~~or~~, property manager license applicant, **or timeshare sales agent** courses under OAR 863-022-0010 and 863-022-0015 must apply to the Agency for approval of these courses. No application fees are required.

~~(2) All license applicant courses under OAR 863-022-0010 and 863-022-0015 submitted by private career schools and approved by the Agency before August 15, 2012 are approved by this rule; however, the course approval expires December 31, 2012.~~

~~(3)~~ (2) A private career school applying for Agency approval of a 150-hour course of study for real estate broker license applicants, ~~or~~ a 60-hour course for property manager license applicants, **or a 14-hour course for timeshare sales agent** applicants must submit an online application and the following documents:

(a) Proof of current licensing as a private career school with the Higher Education Coordinating Commission and an expiration date.

(b) If the private career school wishes to provide a course through distance education, documentation that the course has been certified by the Association of Real Estate License Law Officials.

(c) If the private career school is applying for approval to use course materials owned and developed by a third-party vendor, written authorization from the vendor, on an Agency-approved form, that the course provider is authorized to use the course materials and the dates the provider is authorized to use the course.

(d) Course materials, including:

(A) Course curriculum or syllabus for the course of study.

(B) Student materials, including all course materials, textbooks and handouts.

(C) A completed Agency-approved topic checklist that lists the detailed course topics and indicates the location of the topic in the course materials. This requirement applies to all course materials, including materials developed by the course provider or materials developed by a third-party vendor.

(D) Instructor materials, if any.

(E) Final examinations.

- (F) Examination answer keys, as a document that is separate from the examination.
- (G) Agency-approved instructor forms for each instructor who will teach the course.
- (e) Proof of current business registration with the Oregon Secretary of State. The applicant's name that is licensed with the Higher Education Coordinating Commission must be the exact name that is registered with the Secretary of State.
- (4) After review, the Agency will approve or deny the completed application and notify the applicant. If the Agency denies the application, the applicant may seek a contested case hearing pursuant to ORS Chapter 183.
- (5) All course approvals expire on June 30 each year.
- (6) Approved course providers must comply with the provisions of OAR 863-022-0052 for submitting all changes to application information, changes to course materials, and changes to instructors. Within 10 days of license renewal by the Higher Education Coordinating Commission, a private career school must submit documentation to the Agency that the school's license has been renewed.
- (7) If a private career school wants to provide courses other than the real estate broker~~or~~, property manager **or timeshare sales agent** license applicant courses, the school must comply with the following:
 - (a) To provide the broker advanced practices course, the principal broker advanced practices course, or the property manager advanced practices course, the school must be a certified continuing education provider and apply for course approval under OAR 863-022-0045.
 - (b) To provide the brokerage administration and sales supervision course, the school must be a certified continuing education provider and apply for course approval under 863-022-0050.
 - (c) To provide the Law and Rule Required Course under OAR 863-022-0055 required for licensee renewals, the school must be a certified continuing education provider.
 - (d) To provide the State and Federal Fair Housing Course under 863-022-XXXX required for license renewal, the school must be a certified continuing education provider.**
 - ~~(d)~~ (e)** To provide any other continuing education course under OAR 863-020-0035 or 863-020-0040, the school must be a certified continuing education provider and comply with the requirements of OAR 863, division 20.

863-022-0035 Approval of Courses Provided by Community Colleges, Colleges, and Universities

(1) In-state community colleges, colleges, and universities that wish to provide the real estate broker license applicant ~~or~~, property manager license applicant, ~~or~~ timeshare sales agent applicant under OAR 863-022-0010 and 863-022-0015 must apply to the Agency for approval of these courses. No application fees are required.

(2) In-state community college, college or university applying for Agency approval of a 150-hour course of study for real estate broker license applicants, ~~or~~ a 60-hour course for property manager license applicants, ~~or~~ a 14-hour course for timeshare sales agent applicants must submit an online application and the following documents:

(a) ~~If the private career school~~ If the in-state community college, college or university is applying for approval to use course materials owned and developed by a third-party vendor, written authorization from the vendor, on an Agency-approved form, that the course provider is authorized to use the course materials and the dates the provider is authorized to use the course.

(b) Course materials, including:

(A) Course curriculum or syllabus for the course of study.

(B) Student materials, including all course materials, textbooks and handouts.

(C) A completed Agency-approved topic checklist that lists the detailed course topics and indicates the location of the topic in the course materials. This requirement applies to all course materials, including materials developed by the course provider or materials developed by a third-party vendor.

(D) Instructor materials, if any.

(E) Final examinations.

(F) Examination answer keys, as a document that is separate from the examination.

(3) After review, the Agency will approve or deny the completed application and notify the applicant. If the Agency denies the application, the applicant may seek a contested case hearing pursuant to ORS Chapter 183.

(4) All course approvals expire on June 30 each year.

(5) Approved course providers must comply with the provisions of OAR 863-022-0052 for submitting all changes to application information, changes to course materials, and changes to instructors.

(6) If an in-state community college, college or university wants to provide courses other than the real estate broker or property manager license applicant courses, the school must comply with the following:

(a) To provide the broker advanced practices course, the principal broker advanced practices course, or the property manager advanced practices course, the school must be a certified continuing education provider and apply for course approval under OAR 863-022-0045.

(b) To provide the brokerage administration and sales supervision course, the school must be a certified continuing education provider and apply for course approval under OAR 863-022-0050.

(c) To provide the Board-approved three-hour law and rule update course under OAR 863-022-0055 required for license renewals, the school must be a certified continuing education provider.

(d) To provide the State and Federal Fair Housing Course under 863-022-XXXX required for license renewal, the school must be a certified continuing education provider.

~~(d)~~ (e) To provide any other continuing education course under OAR 863-020-0035 or 863-020-0040, the school must be a certified continuing education provider and comply with the requirements of OAR 863, division 20.

HB 3137 section 9 and HB 2373 sections 4, 9

863-022-0045 Agency Approval of Advanced Practices Course

(1) A person seeking Agency approval of the ~~27-26~~-hour broker advanced practices course described in OAR 863-022-0020, the ~~27-26~~-hour principal broker advanced practices course described in OAR 863022-0021, or the ~~27-26~~-hour property manager advanced practices course under 863-022-0022 must be a certified continuing education provider.

(2) The person must submit an Agency-approved form and the following documents:

(a) Sample certificates of course completion.

(b) For all providers, except those providers listed in subsection (c), written authorization from the vendor, on an Agency-approved form, to use course materials owned and developed by a third party vendor stating:

(A) That the course provider is authorized to use the course materials, and

(B) The dates the provider is authorized to use the course.

(c) For in-state community colleges, colleges and universities applying for approval to use course materials owned and developed by a third party vendor, attestation that the provider must submit all revisions or updates to the Real Estate Agency for approval before using such materials.

(d) Course materials, including:

(A) Course curriculum or syllabus for the course of study.

(B) Student materials, including all course materials, textbooks and handouts.

(C) A completed Agency-approved topic checklist listing the detailed course topics and indicating the location of the topic in the course materials. This requirement applies to all course materials, including materials developed by the course provider or materials developed by a third-party vendor.

(D) Instructor materials, if any.

(E) Final examinations, **including practical skills assessments as outlined in OAR 863-022-0020 through 863-022-0022.**

(F) Examination answer keys, as a document that is separate from the examination.

(G) For all providers except in-state community colleges, colleges and universities, a continuing education instructor form for each instructor who will teach the course.

(3) The Agency will approve or deny the completed application and notify the applicant. Upon approval, the Agency will send a letter of approval. If the Agency denies the application, the applicant may seek a contested case hearing pursuant to ORS Chapter 183.

(4) All course approvals expire on December 31st each year.

(5) Approved course providers must comply with the provisions of OAR 863-022-0052 for submitting all changes to application information, changes to course materials, and changes to instructors.

HB 3137 section 9

863-022-0055 Board Approval of Law and Rule Required Course

- (1) The Board will develop the course content required for ~~an at least three-hour~~ the course on recent changes in real estate rule and law required by ORS 696.174, and the Agency will make the course content available to the public.
- (2) The Board will update the course at least biannually.
- (3) To be eligible for continuing education credit required under OAR 863-020-0010, the Board-approved course must be provided by a certified continuing education provider.
- (4) This course is referred ~~to~~ in these rules as the "Law and Rule Required Course".

HB 3137 section 9

863-022-XXXX Board Approval of State and Federal Fair Housing Course

(1) The Board will develop the course content required for the course on state and federal fair housing laws required by ORS 696.174 (HB 3137 section 9a), and the Agency will make the course content available to the public.

(2) The Board will update the course at least biannually.

(3) To be eligible for continuing education credit required under OAR 863-020-0010, the Board-approved course must be provided by a certified continuing education provider.

(4) This course is referred to in these rules as the "State and Federal Fair Housing Course".

HB 3137 section 9

863-022-0060 Responsibilities of Providers of Real Estate Broker, Principal Broker, ~~and~~ Property Manager, ~~and~~ Timeshare Sales Agent License Application Courses

(1) For purposes of this rule, a “course provider” is:

(a) A private career school, in-state community college, college, or university that provides the 150-hour real estate broker license applicant course of study under OAR 863-022-0010, the 60-hour property manager license applicant course under OAR 863-022-0015; ~~or~~ the 40-hour brokerage administration and sales supervision course under OAR 863-022-0025; ~~or the 14-hour timeshare sales agent course required by OAR 863-022-XXXX and~~

(b) A continuing education provider who provides the 40-hour brokerage administration and sales supervision course under OAR 863-022-0025.

~~(3)~~(2) For purposes of this rule, “examination provider” means the vendor, under a contract with the Agency, which provides licensing examination services and collects the fee for such services directly from a license applicant.

~~(4)~~(3) A course provider must certify to the examination provider that an applicant for a real estate license has successfully completed the course or courses according to the requirements and instructions of the examination provider.

~~(5)~~(4) Before certifying that a license applicant completed a course as provided in section ~~(4)~~(3) of this rule, a course provider must obtain proof from a license applicant that the applicant has submitted a license application to the Agency.

~~(6)~~(5) A course provider must inform each student taking a course that:

(a) The course provider will certify to the examination provider that an applicant for a real estate license has successfully completed the course or courses; and

(b) Before a course provider may certify that the applicant completed the course, a student must provide proof to the provider that the student has applied to the Agency for a real estate broker, principal broker ~~or~~, property manager, ~~or~~ timeshare sales agent license.

(7) In addition to the requirements under this rule, a course provider must provide a certificate of completion to each student.

Division 24 – REAL ESTATE PROPERTY MANAGER LICENSING

863-024-0000 Application and Purpose

(1) This division sets forth the requirements and process for licensing real estate property managers, as that term is defined in ORS 696.010.

(2) The purpose of this division is to specify the requirements for obtaining a real estate property manager's license.

863-024-0003 Definitions

As used in this division, unless the context requires otherwise, the following definitions apply to this division:

- (1) "Agency" means the Real Estate Agency with powers pursuant to ORS 696.385.
- (2) "Agency-approved form" means an electronic or paper form approved by the Real Estate Agency.
- (3) "Authorized principal broker" means a managing principal broker or a principal broker associated with the managing principal broker to whom applicable supervisory control and responsibility has been allocated through a written supervisory agreement as described in ORS 696.310.
- ~~(3)~~(4) "Birth month" means the month of a licensee's or applicant's date of birth.
- ~~(4)~~(5) "Branch office" is defined in ORS 696.010.
- ~~(5)~~(6) "Commissioner" means the Real Estate Commissioner described in ORS 696.375.
- ~~(6)~~(7) "Legal name" means the first name, middle name and last or surname, without the use of initials or nicknames and is the name given at birth or subsequently acquired through marriage, court order or adoption.
- ~~(7)~~(8) "Licensed Name" means the name of a real estate licensee as it appears on the current, valid real estate license issued to the licensee pursuant to ORS 696.020.
- ~~(8)~~(9) "Licensed property manager" means "licensed real estate property manager" as defined in ORS 696.010.
- ~~(9)~~(10) "Management of rental real estate" is defined in ORS 696.010.
- (11) "Managing principal broker" is defined in HB 3137 section 1.
- ~~(10)~~(12) "Principal broker" means "principal real estate broker," as defined in ORS 696.010.
- ~~(11)~~(13) "Real estate activity," "professional real estate activity," and "real estate business" mean "professional real estate activity" as defined in ORS 696.010, which includes managing rental real estate.
- ~~(12)~~(14) "Real estate broker" is defined in ORS 696.010.
- ~~(13)~~(15) "Real estate property manager" is defined in ORS 696.010.
- ~~(14)~~(16) "Real estate licensee" and "licensee" mean a "real estate licensee" as defined in ORS 696.010.

(17) “Sending property manager” means:

(a) A licensed property manager with whom an active real estate license is associated before a license transfer; or

(b) The authorized principal broker who has supervisory control and responsibility of the licensee before a license transfer.

(18) “Registered business name” is defined in ORS 696.010.

~~(15)~~ (19) “Receiving property manager” means:

(a) A licensed property manager with whom an active real estate license will be associated after a license transfer; or

(b) The authorized principal broker who will have supervisory control and responsibility of the licensee after a license transfer.

~~(16)~~ (20) “Signed” or “Signature” means original or electronic signature as provided by OAR 863-024-0076.

(21) “Timeshare sales agent” as defined in HB 2373 section 2.

HB 3137 section 1 and HB 2373 section 2

863-024-0030 License Issue, Term, Form

(1) The Agency will issue a property manager license to an applicant after determining that the applicant meets the license requirements contained in ORS 696.022 and 696.790, has paid all required fees and meets the requirements under OAR 863-024-0045.

(2) A licensee may engage in the management of rental real estate from the date the license is issued until the license expires, becomes inactive, or is revoked, surrendered, or suspended.

(3) A licensee may hold only one of the following Oregon real estate licenses at any time:

(a) Real estate broker,

(b) Principal real estate broker, ~~or~~

(c) Property manager, ~~or~~

(d) Timeshare sales agent.

(4) The license expiration date is the last day of the month of a licensee's birth month.

(5) The Agency issues an initial license for a term determined by the licensee's birth month and license issuance date. The initial license term is at minimum 13 months and at most 24 months and 30 days.

(a) If the license is not issued in licensee's birth month, the initial license term will start on the license issue date and end 12 months after first occurrence of the last day of the licensee's birth month.

(b) If the license is issued in the licensee's birth month, the initial license term start on the license issue date and end 24 months after the first occurrence of the last day of the licensee's birth month.

(6) The Agency will renew an active or inactive license for a term of 24 months from the last license expiration date

(7) The Agency will renew an expired license under OAR 863-024-0050 for a term that will start on the license renewal date and end 24 months from the last license expiration date.

(8) The license will include the following information:

(a) The licensee's legal name,

(b) The license number and expiration date,

(c) The registered business name under which the licensee conducts professional real estate activity,

(d) The licensee's business address,

(e) The seal of the Real Estate Agency, and

(f) Any other information the Agency deems appropriate.

HB 2373

863-024-0045 Property Manager Licensing Requirements

(1) To be eligible for a property manager license, an individual must complete the following steps in the order listed:

(a) Submit a license application and pay the fee to the Agency required by OAR 863-024-0010.

(b) Successfully complete the required courses of study for a property manager license required by OAR 863-022-0015.

(c) Ensure that the school providing the required course of study certifies to the examination provider that the applicant completed the course as required by OAR 863-024-0020.

(d) Pass the property manager license examination and pay the fee to the examination provider as required by OAR 863-024-0020.

(e) Provide fingerprints for a criminal background check and pay the fee to the fingerprint services provider as required by OAR 863-024-0015.

(2) After the applicant meets the requirements under (1) of this rule, the Agency will complete a background check on the applicant, which includes a criminal background check under OAR 863-024-0015.

(3) After the requirements in (1) and (2) of this rule are met:

(a) Using an online application through the Agency's website, the applicant must specify that the applicant will be registering a business name as provided in (4) of this rule; or

(b) Using an online application available through the Agency's website, a principal broker or licensed property manager must transfer the applicant to the principal broker or licensed property manager's active registered business name under OAR 863-024-0063.

(4) If an applicant wishes to conduct professional real estate activity under a registered business name registered by the applicant, the applicant must first meet all of the remaining qualifications to obtain a property manager license and then register a business name under 863-024-0095.

(5) A licensed property manager may only engage in the management of rental real estate. The licensee may not offer to, negotiate, attempt to, or engage in the sale, purchase, lease-option, appraisal, or exchange of real estate for another individual for compensation. The licensee may not charge, pay, receive, or accept a referral fee, finder's fee, or compensation from or share in a commission paid to a real estate broker or principal

broker for any activity involving the sale, purchase, lease-option, appraisal, or exchange of real estate. However, the licensee may charge, pay, receive, or accept a referral fee or finder's fee from or to a real estate broker, principal broker or another licensed property manager for finding or referring an owner, renter, or lessee in the management of rental real estate.

(6) A licensed property manager is responsible for all management of rental real estate conducted under the property manager's license and for the actions of the property manager's nonlicensed property management employees. A licensed property manager may not authorize an unlicensed individual to supervise that property manager's licensed activity in the manager's absence. Except as provided for in OAR 863-024-0085, a licensed property manager may not authorize another real estate licensee to supervise that property manager's licensed activity in the property manager's absence.

(7) A licensed property manager may be associated with a **managing** principal broker to engage in the management of rental real estate on behalf of the **managing** principal broker and under the supervision of ~~that an authorized principal broker. However, a~~ **A** property manager may not act in the managing principal broker's absence under OAR 863-024-0085.

HB 3137 sections 1, 4

863-024-0050 License Renewal

- (1) A licensee may only submit a license renewal application and pay the fee using an online application process, which is available through the Agency's website.
- (2) For purposes of this rule, "received by the Agency" means the date the licensee completed the online renewal process and paid the fee required under ORS 696.270
- (3) A property manager license expires if a licensee fails to renew the license on or before the license expiration date. A licensee may not engage in the management of rental real estate after a license expires. A licensed property manager may renew an expired license as provided in this rule.
- (4) The Agency may renew an active property manager license to active status for the term prescribed in OAR 863-024-0030 when the Agency has received the following:
 - (a) The renewal fee authorized by ORS 696.270; and
 - (b) An online active renewal application requesting active license status that includes course information by the licensee demonstrating that the licensee has met the license renewal continuing education requirements under section OAR 863-020-0010.
- (5) The Agency may renew an active property manager license to inactive status for the term prescribed in OAR 863-024-0030, when the Agency has received the following:
 - (a) The renewal fee authorized by ORS 696.270; and
 - (b) An online inactive renewal application.
- (6) The Agency may renew an inactive property manager license to inactive status for the term prescribed in OAR 863-024-0030 when the Agency has received the following:
 - (a) The renewal fee authorized by ORS 696.270; and
 - (b) An online inactive renewal application.
- (7) The Agency may renew an inactive property manager license to active status for the term prescribed in OAR 863-024-0030, when the Agency has received the following:
 - (a) The renewal fee authorized by ORS 696.270;
 - (b) An online active renewal application that includes course information by the licensee demonstrating that the licensee has met the license renewal continuing education requirements under OAR 863-020-0010; and

(c) The online license transfer application completed by the receiving ~~principal broker or licensed~~ property manager per OAR 863-024-0063. If the renewing licensed property manager wishes to manage rental real estate under a new registered business name, the licensed property manager must also register a business under OAR 863-024-0095.

(8) The Agency may renew an expired property manager license to active status when the Agency receives, within one year of the date the license expired, the following:

(a) The renewal fee and a late fee authorized by ORS 696.270;

(b) An online active renewal application that includes course information by the licensee demonstrating that the licensee met the license renewal continuing education requirements under section OAR 863-020-0010; and

(c) The online license transfer application completed by the receiving ~~principal broker or licensed~~ property manager per OAR 863-024-0063. If the renewing property manager wishes to manage rental real estate under a new registered business name, the property manager must also register a business under OAR 863-024-0095.

(9) The Agency may renew an expired property manager license to inactive status when the Agency receives, within one year of the date the license expired, the following:

(a) The renewal fee and a late fee authorized by ORS 696.270; and

(b) An online inactive renewal application.

(10) When the Agency renews an expired license, the renewed license is effective the date the renewal requirements are met. The renewal is not retroactive to the date the license expired, and the expired license retains the status of expired during the expiration period.

(11) A license renewed under this rule expires two years from the date of the original expiration date.

(12) A real estate license that has expired for more than one year is lapsed, as defined in ORS 696.010.

(13) A license may not be renewed if it is lapsed, surrendered, suspended, or revoked. Except as provided in OAR 863-024-0075, the former licensee must reapply and meet all the licensing qualifications required of new license applicants.

HB 3137 sections 1, 4

863-024-0060 Limited Licenses and Renewal

(1) If the Commissioner issues an individual a limited license under ORS 696.130, the licensee may submit a written request for an unrestricted license after the period of limitation. The request must include the endorsement of the ~~licensee's supervising~~ **authorized principal broker or licensed property manager**, if applicable.

(2) Issuance of an unrestricted license is dependent on Agency review and approval including the results of an inquiry on the licensee, including but not limited to a check through the Law Enforcement Data System.

(3) A limited licensee may only submit a license renewal application and pay the fee using an online application process, which is available through the Agency's website.

(4) For purposes of this rule, "received by the Agency" means the date a licensee completed the online renewal process and paid the fee required under ORS 696.270.

(5) A limited property manager license expires if a licensee fails to renew the license on or before the license expiration date. A licensed property manager may not engage in the management of rental real estate after a license expires. A licensed property manager may renew an expired license as provided in this rule.

(6) The Agency may renew a limited property manager license to active status for the term prescribed in OAR 863-024-0030 when the Agency has received the following:

(a) The renewal fee authorized by ORS 696.270; and

(b) An online active renewal application that includes course information entered by the licensee demonstrating that the licensee has met the license renewal continuing education requirements under section OAR 863-020-0010.

(7) The Agency may renew a limited property manager license to inactive status for the term prescribed in OAR 863-024-0030, when the Agency has received the following:

(a) The renewal fee authorized by ORS 696.270; and

(b) An online inactive renewal application.

(8) The Agency may renew an inactive limited property manager license to inactive status for the term prescribed in OAR 863-014-0030, when the Agency has received the following:

(a) The renewal fee authorized by ORS 696.270; and

(b) An online inactive renewal application.

(9) The Agency may renew an inactive limited property manager license to active status for the term prescribed in OAR 863-014-0030, when the Agency has received the following:

- (a) The renewal fee authorized by ORS 696.270;
- (b) An online active renewal application that includes course information entered by the licensee demonstrating that the licensee has met the license renewal continuing education requirements under OAR 863-020-0010;
- (c) An online transfer application, available through the Agency's website, completed by the receiving ~~principal broker~~ **property manager** under OAR 863-014-0063, if applicable; and
- (d) An endorsement in writing from the ~~supervising principal broker~~ **receiving property manager** acknowledging the limited license status and accepting the terms outlined in the stipulated final order.

(10) The Agency may renew an expired limited property manager license to active limited status when the Agency receives, within one year of the date the license expired, the following:

- (a) The renewal fee and a late fee authorized by ORS 696.270;
- (b) An online active renewal application that includes course information entered by the licensee demonstrating that the licensee met the license renewal continuing education requirements under OAR 863-020-0010;
- (c) An online license transfer application, available through the Agency's website, completed by the receiving ~~principal broker~~ **property manager** under OAR 863-014-0063; and
- (d) An endorsement in writing from the ~~supervising principal broker~~ **receiving property manager** acknowledging the limited license status and acceptance of the terms outlined in the stipulated final order.

(11) The Agency may renew an expired limited property manager license to inactive limited license status when the Agency receives, within one year of the date the license expired, the following:

- (a) The renewal fee and a late fee authorized by ORS 696.270; and
- (b) An online inactive renewal application.

(12) When the Agency renews an expired limited license, the renewed license is effective the date the renewal requirements are met. The renewal is not retroactive to the date the

license expired and an expired license retains the status of expired during the expiration period.

(13) A limited license renewed under this rule expires two years from the date of the original expiration date.

(14) A limited real estate license that has expired for more than one year is lapsed, as defined in ORS 696.010.

(15) A limited license may not be renewed if it is lapsed, surrendered, suspended, or revoked. Except as provided in OAR 863-014-0075, the former licensee must reapply and meet all the licensing qualifications required of new license applicants.

HB 3137 sections 1, 4

863-024-0061 Affiliated and Subsidiary Organizations

- (1) Affiliated organizations are two or more organizations whose controlling ownership interests are owned by the same licensee, licensees, entity, or entities.
- (2) A subsidiary organization is one in which the majority of the voting stock or controlling ownership interest is owned by another organization.
- (3) Affiliated or subsidiary business organizations engaging in the management of rental real estate may use the same licensed property manager or **managing** principal broker, provided that the individual registering the business name submits proof satisfactory to the Commissioner that the licensed property manager or **managing** principal ~~real-estate~~ broker actually manages and controls each affiliated and subsidiary organization.
- (4) As used in this rule, controlling ownership interest means owning 51 percent or more.

HB 3137 section 5

863-024-0063 Property Manager License Transfers, Principal Brokers' Responsibilities, Authority to Use Registered Business Name

(1) As used in this rule

~~(a) "Authorized licensee" means a licensed property manager or principal real estate broker who has authority and is responsible for a registered business name;~~

~~(b)~~ "License transfer application" means an online application that does one of the following:

~~(A)~~ (a) Transfers a property manager license to a receiving property manager in order to become associated with the ~~managing~~ principal broker or ~~licensed~~ property manager, or

~~(B)~~ (b) Authorizes a licensed property manager to use a registered business name to conduct the management of rental real estate.

~~(c) "Sending principal broker" means the authorized principal broker with whom an active property manager license is associated before the license transfer;~~

~~(d) "Sending property manager" means the licensed property manager with whom an active property manager license is associated before the license transfer;~~

~~(e) "Receiving authorized principal broker" means the authorized principal broker with whom an active property manager license will be associated after the license transfer.~~

~~(f) "Receiving property manager" means the licensed property manager with whom an active property manager license will be associated after the license transfer.~~

(2) An online license transfer application, available through the Agency's website, includes:

(a) The name and license number of the property manager licensee who is being transferred;

(b) The name of the receiving ~~principal broker, receiving~~ property manager, ~~or authorized licensee~~, license number, date, signature, and attestation or the authorized use of the registered business name.

(3) An ~~authorized~~ principal broker or licensed property manager with whom a property manager licensee is associated remains responsible for the associated licensee's management of rental real estate until the Agency receives one of the following:

(a) An online inactivation application available through the Agency's website; or

(b) An online license transfer application and fee.

(4) If an ~~an sending authorized~~ principal broker or ~~sending licensed~~ property manager with whom a licensed property manager is associated doesn't complete the online inactivation process, the ~~sending authorized~~ principal broker or ~~sending licensed~~ property manager remains responsible for the associated licensee's subsequent management of rental real estate until the Agency receives one of the following:

(a) An online inactivation application available through the Agency's website; or

(b) An online license transfer application and fee; or

(c) An online registered business name application and fee initiated by the ~~transferring licensed receiving~~ property manager.

(5) The Agency will document the registered business name under which a property manager licensee is authorized to conduct management of rental real estate when the Agency receives an online license transfer application or new registered business name application and the fee authorized by ORS 696.270.

HB 3137 section 3, 4

863-024-0065 Inactive License, License Reactivation

- (1) A property manager licensee whose license is on inactive status may not engage in management of rental real estate.
- (2) The Commissioner may reprimand, suspend, revoke, or impose a civil penalty against an inactive licensee under ORS 696.301.
- (3) The Agency will change an active property manager license to inactive license status when the Agency receives the following:
 - (a) An online inactivation application available through the Agency's website completed by the licensee to change the license status to inactive; or
 - (b) An online inactivation application available through the Agency's website completed by the ~~supervising authorized~~ principal broker or licensed property manager.
- (4) An inactive property manager licensee may renew such license under OAR 863-024-0050.
- (5) For a period of 30 days after a property manager license becomes inactive, the inactive property manager licensee may change such license status from inactive to active under OAR 863-024-0063.
- (6) If a property manager license has not been on active status for two or more consecutive years, the following steps must be completed in the order listed to reactivate the license:
 - (a) The property manager licensee must pay a fee to the examination provider and take and pass the property manager reactivation examination required by OAR 863-024-0020.
 - (b) The property manager licensee must submit the online reactivation application and pay the fee to the Agency authorized by ORS 696.270; and
 - (c) A receiving ~~principal broker or receiving licensed~~ property manager must submit an online license transfer application available through the Agency's website according to OAR 863-024-0063. If the reactivating property manager licensee wishes to manage rental real estate under a new registered business name, the property manager licensee must register a business name under OAR 863-024-0095.
- (7) After the 30-day period in section (5) of this rule, and subject to the examination requirements in section (6) of this rule, a **licensed** property manager may change the license status from inactive to active only by submitting to the Agency:
 - (a) An online license reactivation application and paying the reactivation fee authorized by ORS 696.270; and

(b) Using an online application available through the Agency's website, a receiving ~~principal broker or receiving licensed~~ property manager must submit an online license transfer application according to OAR 863-024-0063. If the reactivating licensed property manager wishes to manage rental real estate under a new registered business name, the property manager licensee must register a business name under OAR 863-024-0095.

(8) The change of license status, transfer of license, or the reactivation of a license is effective when all requirements are met, applications are completed and fees are paid.

HB 3137 section 3, 4

863-024-0095 Business Name Registration

(1) Before managing rental real estate in any name, a licensed property manager **or principal broker** must first register the business name with the Agency using the online process available through the Agency's website. For the purposes of this rule, "registered business name" means any name under which rental real estate is managed, including the licensee's legal name, an assumed name, or the name of a business entity, such as a corporation, partnership, limited liability company, or other business entity recognized by law. A licensee must maintain the registered business name with the Oregon Secretary of State's Corporation Division for any name other than the licensee's legal name.

(2) To register a business name, the licensed property manager **or principal broker** must submit to the Agency in an online application, the following:

(a) The business name in which the licensed property manager wishes to conduct business, which must be the exact name on file with the Oregon Secretary of State or licensee's legal name;

(b) Written authority by which the licensed property manager is authorized to use the business name;

(c) For any name used other than the licensee's legal name, a valid, active Oregon Secretary of State Business Registry number; and

(d) The fee authorized by ORS 696.270.

(3) Upon registering a business name, a principal broker becomes a managing principal broker.

~~(3)~~ (4) Any change in the business name registered with the Agency must be submitted through an online application on the Agency website with the applicable fee authorized by ORS 696.270.

~~(4)~~ (5) If ~~the~~ a licensed property manager **or managing principal broker** wishes to transfer the right to use a business name that is registered with the Agency, the licensed property manager or **principal broker** acquiring the right to use the name must file a change of business name registration with the Agency together with the fee authorized by ORS 696.270. A licensee must notify the Agency in writing if the licensee terminates its use of a business name. **Upon acquiring a registered business name, a principal broker becomes a managing principal broker.**

~~(5)~~ (6) A business name registration becomes void when:

(a) The Agency receives an online application to void the registration;

(b) The registration expires; or

(c) When no licensees are affiliated with the registered business name.

~~(6)~~ (7) A voided business name registration may be reactivated by reapplying for the registration and paying the fee authorized in ORS 696.270, unless a new user has registered the business name.

~~(7)~~ (8) Except as provided in OAR 863-024-0085, no licensed property manager may engage in the management of rental real estate under more than one registered business name. An exception to this requirement is that a licensed property manager may engage in the management of rental real estate under more than one registered business name if the business entity is an affiliated or subsidiary organization as described in OAR 863-024-0061.

~~(8)~~ The initial registration term will expire on the last day of initial month of registration. The initial term is not less than 12 months and is not more than 12 months plus the number of days between the date the registration is issued and the last day of the initial registration month.

HB 3137 sections 1, 5

863-024-0097 Registered Business Name Renewal

- (1) Only an **authorized** principal broker or licensed property manager can submit a registered business name renewal application and pay the fee using an online application process, which will be available through the Agency's website.
- (2) For purposes of this rule, "received by the Agency" means the date **a licensee an authorized principal broker or licensed property manager** completed the online renewal process and paid the fee required under ORS 696.270.
- (3) A registered business name that **fails to renew is not renewed** on or before the registration expiration date will be void.
- (4) If a registered business **name is not renewed on or before the registration expiration date, becomes void**, all real estate licensees authorized to manage rental real estate under that name will be inactivated and may not engage in the management of rental real estate until transferred under OAR 863-024-0063.
- (5) A **managing** principal broker or licensed property manager that wishes to reactivate a voided registered business name must reapply after a business name expiration as provided by OAR 863-024-0095.
- (6) When a new application **of for** a voided registered business name has been processed and activated by the Agency, the **authorized principal broker** or licensed property manager **responsible for the business name** may then authorize other real estate licensees to manage rental real estate under the name by completing the process under OAR 863-024-0063. Effective dates are not retroactive.
- (7) A registered business name renewed under this rule expires one year from the date of the original expiration date.

HB 3137 section 5

863-024-0120 Deceased or Incapacitated Property Manager

(1) If the Commissioner issues a temporary license to an unlicensed person under ORS 696.205, the licensee's activities may be limited to winding up the affairs of the deceased or incapacitated managing principal broker or licensed property manager's management of rental real estate. This may include, but is not limited to, terminating property management agreements per the terms of OAR 863-025-0070.

(2) The holder of a temporary license is subject to ORS Chapter 696 and its implementing rules while engaging in professional real estate activity under the terms of the temporary license.

HB 3137

Division 25 – PROPERTY MANAGEMENT

863-025-0010 Definitions

In addition to the definitions used in ORS 696.010 and OAR 863-015-0120, as used in OAR 863-025-0015 to 863-025-0080, unless the context requires otherwise:

(1) “Agency” means the Real Estate Agency.

(2) “Audit trail” means a documented history of a financial transaction by which the transaction can be traced to its source.

(3) "Authorized principal broker" means a managing principal broker, or a principal broker associated with the managing principal broker to whom applicable supervisory control and responsibility has been allocated through a written supervisory agreement as described in ORS 696.310.

~~(3)~~ (4) “Bank” is defined in ORS 696.010.

~~(4)~~ (5) “Banking day” means each day a bank is required to be open for the normal conduct of its business but does not include Saturday, Sunday, or any legal holiday under ORS 187.010.

~~(5)~~ (6) “Business day” is defined in ORS 696.010.

~~(6)~~ (7) “Clients’ Trust Account” means a federally insured bank account labeled as “Clients’ Trust Account” or “Client Trust Account” on all bank records and checks that is established and maintained by a property manager, acting on behalf of an owner under a property management agreement, for depositing, holding and disbursing funds received by the property manager on behalf of an owner, including application fees and application screening fees that is subject to the provisions of ORS 696.241.

~~(7)~~ (8) “Compliance review” means an Agency review of a property manager’s records and procedures for the purpose of educating the property manager on statutes and rules.

~~(8)~~ (9) “Cure noncompliance” means a property manager’s acts that resolve the property manager’s failure to comply with statutory and rule requirements.

~~(9)~~ (10) “Employee” means a non-licensed individual employed by a property manager for wages or a salary.

~~(10)~~ (11) “Identifying code” means a unique series of letters and/or numbers assigned by a property manager to a property management agreement at the time the agreement is signed by the parties and used on all transactions and records to reference the agreement.

A property manager may use a supplemental unique series of letters and/or numbers on transactions and records if the property manager establishes a clear audit trail to a specific property management agreement and to the original identifying code.

~~(11)~~ (12) “Investigation” means an Agency-initiated investigation of a property manager that may result in administrative actions against the licensee.

~~(12)~~ (13) “Licensed property manager” means “licensed real estate property manager” as defined in ORS 696.010.

~~(14)~~ “Managing principal broker” as defined in HB 3137 section 2a,

~~(13)~~ (15) “Owner” means a person or persons who own rental real estate that is managed by a property manager.

~~(14)~~ (16) “Principal broker” means a “principal real estate broker” as defined in ORS 696.010.

~~(15)~~ (17) “Property management agreement” is defined in ORS 696.010.

~~(16)~~ (18) “Property manager” means a “Real estate property manager” as defined in ORS 696.010.

~~(17)~~ (19) “Reconciliation review” means a review of a property manager’s clients’ trust account reconciliation information and documents for compliance with OAR 863-025-0028.

~~(18)~~ (20) “Records” and “property management records” mean a complete and adequate documentation of the management of rental real estate.

(21) “Real estate licensee,” for the purposes of this division, is defined as a real estate broker, principal real estate broker, and real estate property manager-, but does not include timeshare sales agents.

~~(19)~~ (22) “Security Deposit” means a conditionally refundable payment or deposit of funds, however designated, the primary function of which is to secure the performance of a rental or lease agreement or any part of a rental or lease agreement.

~~(20)~~ (23) “Security Deposits Account” means a federally insured clients’ trust account labeled as “Clients’ Trust Account — Security Deposits” or “Client Trust Account SD” on all bank records and checks that is established and maintained by a property manager, acting in a fiduciary capacity on behalf of an owner under a property management agreement, for depositing, holding and disbursing security deposit funds that is subject to the provisions of ORS 696.241.

~~(21)~~ (24) “Sufficient funds” or “sufficient credit balance” means an amount of funds on an owner’s ledger or a tenant’s ledger that is equal to or greater than the amount of a planned disbursement from a clients’ trust account or a security deposits account but which must not include any security deposits in a security deposits trust account that are required to be held pending the termination of a rental agreement. Only funds belonging to the owner or tenant on whose behalf the disbursement is planned may be considered in determining if there are sufficient funds or a sufficient credit balance.

HB 3137 section 1

863-025-0015 Written Policies and Delegation of Authority

(1) Each property manager must develop, maintain, and follow written policies for persons and activities under this rule.

(2) Each policy must state the effective date of the policy.

(3) Policies must specify the duties, responsibilities, supervision and authority, including any authority to handle funds in a clients' trust account or security deposits account, for the following persons:

(a) A licensed property manager employed by ~~the~~ a property manager, including any authority to negotiate tenant rental and lease agreements;

(b) An active real estate licensee engaged in the management of rental real estate under the supervision and control of an **authorized** principal broker, including any authority to sign property management agreements under OAR 863-025-0020(6) and tenant rental and lease agreements under 863-025-0045(2); and

(c) An employee of the property manager, including any authority to:

(A) Negotiate tenant rental or lease agreements under OAR 863-025-0045(2);

(B) Check applicant or tenant references, including credit references;

(C) Physically maintain the real estate of an owner;

(D) Conduct tenant relations;

(E) Collect rent and other payments;

(F) Supervise premise managers; or

(G) Discuss financial matters relating to management of the real estate with the owner; and

(d) Contractors.

(4) Policies must include provisions that specify the production and maintenance of all reports, records and documents required under this division.

(5) The following delegations of the property manager's authority must be in writing, dated and signed by the property manager and signed by the individual who is receiving the authority, and kept with written policies:

(a) Negotiate and sign property management agreements under OAR 863-025-0020(6);

(b) Review and approve reconciliations and receive and disburse funds under OAR 863-025-0028(5); and

(c) Review, approve and accept tenant rental and lease agreements under OAR 863-025-0045(2).

HB 3137 sections 21, 22

863-025-0020 Property Management Agreements

(1) A property manager must not engage in the management of rental real estate without a written, unexpired property management agreement between the owner and the property manager.

(2) A property management agreement must include, but is not limited to:

(a) The address or legal description of the owner's rental real estate;

(b) The duties and responsibilities of the property manager and the owner;

(c) The authority and powers given by the owner to the property manager;

(d) The term of the agreement and the method for termination;

(e) The terms and conditions of the agreement;

(f) The management fees, application fees, screening fees, rebates, discounts, overrides and any other form of compensation to be received by the property manager for management of rental real estate including when such compensation is earned and when it will be paid;

(g) A description of the monthly statements of accounting the property manager will provide to the owner;

(h) The disposition of the property manager's records of the management of the owner's rental real estate after termination of the agreement;

(i) Disclosure of the use of employees or a business in which the property manager has a pecuniary interest at the time of the execution of the property management agreement, that will provide services for the owner's property;

(j) A statement that the property manager will disclose to the owner, in writing, the property manager's planned use of any employees or a business in which the property manager has a pecuniary interest to provide services for the owner's property, if such employees or business were not disclosed in the property management agreement pursuant to section (2)(i) of this rule;

(k) An identifying code;

(L) Signatures of the property manager, or a person authorized in section (6) of this rule, and the owner; and

(m) The date of the agreement.

(3) If the property manager and owner agree to any of the following terms, the terms must be included in the property management agreement:

(a) Payment of a referral fee, rent credit or other compensation to a tenant as allowed under ORS 696.290(5);

(b) Placement of trust funds received by a property manager in a federally insured interest-bearing clients' trust account or security deposits account as allowed under ORS 696.241(7), including provisions specifying to whom the interest earnings inure as follows:

(A) If the interest earnings inure to the benefit of the owner, when such interest earnings will be disbursed;

(B) If the interest earnings inure to the benefit of the property manager, that such interest will be disbursed to the property manager within ten calendar days from the date of the bank statement on which such interest is first shown as required in OAR 863-025-0025(8) and

(c) Specific charges that will be paid by the owner.

(4) Any amendment or addendum to the property management agreement must be in writing and include the identifying code, the date of the amendment, the signature of the property manager and the signatures of all owners who signed the initial property management agreement.

(5) Only a principal real estate broker or real estate broker may enter into an agreement, which must be separate from the property management agreement, authorizing the principal broker or real estate broker to represent an owner in the purchase, sale, lease-option or exchange of the rental real estate that must include:

(a) The scope of the professional real estate activity;

(b) The term of the agreement;

(c) The compensation to be paid by the owner to the broker;

(d) Signatures of the real estate broker and the owner; and

(e) The date of the separate agreement.

(6) Only a property manager may negotiate and sign a property management agreement, except that a ~~principal real estate broker~~ authorized principal broker engaging in the management of rental real estate may delegate such authority under OAR 863-025-0015(5) to a real estate licensee who is under the supervision and control of the ~~principal real estate broker~~ authorized principal broker.

(7) The property manager must promptly deliver a legible copy of the fully executed property management agreement, and any addenda or amendments, to the owner.

HB 3137 section 16

863-025-0045 Tenant Agreements

(1) Residential Property. The property manager must file and maintain legible copies of all tenant rental or lease agreements for the time period required under OAR 863-025-0035. Each tenant rental or lease agreement prepared by a property manager for residential real estate must contain, in addition to and not in lieu of any applicable requirements of the Residential Landlord and Tenant Act, the following:

- (a) The registered business name and business address of the property manager and the name and address of the tenant. If a real estate licensee executes the rental or lease agreement on behalf of the licensee's **authorized** principal broker, the name of the real estate licensee acting for the **authorized** principal broker in executing the agreement;
- (b) The mailing address or unit number of property being rented or leased, the amount and payment conditions of the rental or lease, and the rental or lease term;
- (c) The amount of and the reason for all funds paid by the tenant to the property manager including, but not limited to, funds for rent, conditionally refundable security deposits including whether held by the property manager or the property owner, and any fees or other charges;
- (d) Signatures of the property manager, or person authorized under OAR 863-025-0015, and the tenant; and
- (e) The date of the agreement.

(2) The property manager must promptly deliver a legible copy of the fully executed tenant agreement, and any addenda or amendments, to the tenant.

(3) Residential and Non-Residential Property. The property manager must file and maintain legible copies of all tenant's rental or lease agreements for the time period required under OAR 863-025-0035. A property manager must review each tenant rental or lease agreement generated by the property manager; however, a property manager may authorize in writing another individual who is licensed to or employed by the property manager to review and approve and accept tenant rental and lease agreements on behalf of the property manager. In case of such authorization, the property manager remains responsible for each tenant rental and lease agreement approved or accepted by such real estate licensee or employee. The property manager must produce the written authorization at the request of the Commissioner or the Commissioner's authorized representative.

863-025-0090 Reconciliation Review

- (1) The Agency will conduct clients' trust account reconciliation reviews.
- (2) The Agency will provide a property manager with written notice of a clients' trust account reconciliation review at least 10 business days before required information and documentation must be provided to the Agency.
- (3) After the Agency reviews the information and documents provided in a reconciliation review, the Agency will take one of the following actions:
 - (a) If the information and documents are in compliance with statutes and rules, the Agency will provide written notice to the property manager confirming compliance only as to the information and documents provided;
 - (b) If the information and documents indicate that the property manager may be subject to additional documentation and procedural requirements that were not part of the reconciliation review, the Agency will provide written notice to the property manager detailing the Agency's expectations for compliance on those matters;
 - (c) If the information and documents demonstrate that the property manager is not in compliance, the Agency will provide written notice to property manager that:
 - (A) The property manager must cure all noncompliance issues and provide information and documentation to the Agency that the noncompliance has been cured within 30 days of the date of the notice; and
 - (B) If all noncompliance issues are not cured within 30 days, the Agency may:
 - (i) Issue an educational letter of advice;
 - (ii) Impose sanctions on the property manager; or
 - (iii) Initiate an investigation and not allow additional time for the ~~principal broker~~ property manager to cure the noncompliance.
 - (d) If the Agency has reasonable grounds to believe that the funds belonging to others may be missing, funds may have been misappropriated, or that the property manager's records are in such a condition that the property manager is placing funds belonging to others at risk, the Agency may immediately initiate an investigation without providing a principal broker with an opportunity to cure noncompliance.
- (4) If a property manager does not respond to a reconciliation review within the time period required in the notice, the Agency may initiate an investigation.

(5) The Agency may conduct a reconciliation review:

(a) As part of a regular, routine, and random selection of property manager clients' trust accounts for reconciliation mail-in reviews;

(b) After a compliance review, when the Agency has determined that a property manager was not in compliance and provided the ~~principal broker~~ property manager with an opportunity to cure the non-compliance; and

(c) After an investigation has been initiated.

Rule clean up

863-025-0125 Advertising

(1) As used in this rule, "advertising" and "advertisement" include all forms of meaningful communication by or on behalf of a property manager designed to attract the public to the use of services related to the management of rental real estate. This includes, but is not limited to:

- (a) Print, including but not limited to mail, publications, brochures, postcards, business cards, and stationery;
- (b) Signs, including but not limited to lawn signs, displays, and billboards;
- (c) Phone, including but not limited to mobile phone, text messaging, cold calling, and outgoing voicemail messaging;
- (d) Broadcast media, including but not limited to radio, television, podcasts, and video; and
- (e) Electronic media, including but not limited to multiple listing services, websites, email, social media, mobile apps, and other online marketing.

(2) Advertising shall:

- (a) Be identifiable as advertising of a real estate licensee;
- (b) Be truthful and not deceptive or misleading;

~~(d) (c)~~ Not state or imply that the licensee is responsible for operating the registered business **unless the licensee is a managing principal broker or a licensed property manager pursuant to ORS 696.200; if the licensee is a principal broker or licensed property manager but not the authorized licensee for the registered business name as defined in OAR 863-024-0063;**

(e) Not state or imply that the licensee is qualified or has a level of expertise other than as currently maintained by the licensee; and

(f) Be conducted for the purpose of offering real estate for rent or lease under a property management agreement with the property owner.

(3) Advertising that includes the licensee's name shall use:

- (a) The licensee's licensed name;
 - (b) A common derivative of the licensee's first name and the licensee's licensed last name;
- or

(c) An alternative name registered with the Agency per OAR 863-024-XXXX and the licensee's license number.

(4) The registered business name, as registered with the Agency, shall be immediately noticeable in all advertising.

(5) Advertising in electronic media is subject to the following requirements:

(a) Advertising shall comply with all other requirements of this rule;

(b) Advertising by a property manager shall include on its primary or home page:

(A) The licensee's name as required in section (3) of this rule; and

(B) The registered business name as registered with the Agency.

(c) Sponsored links, which are paid advertisements located on a search engine results page, are exempt from the requirements contained in subsection (b) of this section if the first page following the link complies with subsection (a).

(d) An email or text message from a licensee is exempt from the requirements of subsection (b) of this section if the licensee's initial communication contained the information required by subsection (a).

(e) Advertising on social media is exempt from the requirements contained in subsection

(b) of this section if the advertising links to the account profile page or a separate page that complies with subsection (b).

(6) No advertising may guarantee future profits from any rental real estate.

HB 3137 section 11

Division 50 ESCROW AND ESCROW AGENT REGULATIONS

863-050-0052 Disbursal of Disputed ~~Principal Real Estate Managing~~ ~~Principal~~ Broker Compensation

If there is a dispute among or between ~~principal real estate managing principal~~ brokers regarding who is entitled to the moneys or other property agreed to as compensation in a written compensation agreement, and the escrow agent is holding such moneys or other property pursuant to ORS 696.582(1)(a), the escrow agent must hold the moneys or other property until the escrow agent receives a written agreement between the ~~principal real estate managing principal~~ brokers or a final order from a court directing the escrow agent to disburse the moneys or other property.

HB 3137

ADMINISTRATIVE ACTIONS

Reported 7/23/2025
through 9/23/2025

REVOCATIONS

Young, Heather Campbell, Broker B.200801094, Stipulated Order dated August 14, 2025, issuing a revocation.

SUSPENSIONS

None.

REPRIMANDS

Batte, Jamie L, Principal Broker PB.200109174, Stipulated Order dated August 11, 2025, issuing a reprimand.

Frederickson, Suzanne Elizabeth, Principal Broker PB.200601358, Stipulated Order dated August 14, 2025, issuing a reprimand.

Johnson, Tobin Leith, Principal Broker PB.201112021, Stipulated Order dated August 20, 2025, issuing a reprimand.

Benson, Kristin B, Property Manager PM.200112095, Stipulated Order dated August 20, 2025, issuing a reprimand.

Hayes, Lacey Marie, Property Manager PM.201220654, Stipulated Order dated September 12, 2025, issuing a reprimand.

CIVIL PENALTIES

Western Title and Escrow Company, Escrow Agent EA.870700109, Stipulated Order dated August 12, 2025, issuing a \$3,000.00 civil penalty.

Expired — Late Renewal civil penalties are computed using each 30-day period as a single offense. The civil penalty for the first 30-day period can range from \$100-\$500, with each subsequent 30-day period ranging from \$500-\$1,000. ORS 696.990

REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Real Estate License of)
JAMIE L BATTE) STIPULATED FINAL ORDER

The Oregon Real Estate Agency (Agency) and Jamie Batte (Batte) do hereby agree and stipulate to the following:

FINDINGS OF FACT
AND
CONCLUSIONS OF LAW

1.

1.1 At all times mentioned herein, Batte was licensed as a principal broker with Truhome Inc (Truhome).

1.2 On January 19, 2024, Truhome was notified that clients' trust account ending in 5135 (CTA #5135), which holds owner funds, had been selected for reconciliation review. Reconciliation documents were provided to the Agency. An investigation was opened due to the outstanding issues found in the review.

1.3 During the reconciliation review, Batte admitted that they were not reconciling the clients' trust account monthly.

(1) Conclusion of Law: By failing to reconcile the clients' trust accounts monthly, Batte violated ORS 696.301(3) and its implementing rule OAR 863-025-0028(2) 1/1/2024 Edition.

(2) Conclusion of Law: Batte failed to maintain complete and adequate records of property management activity, a violation of ORS 696.301(3) and its implementing rule OAR 863-025-0035(1)(b)(j) 1/1/2024 Edition.

1 1.4 A review of the records submitted showed items identified as “refund” and
2 “refund deposit.” A review of the Agency’s online licensing database showed there was not a
3 clients’ trust account – security deposit account registered with the Agency.

4 1.5 Agency Investigator Dylan Ray (Ray) asked Batte if he had a security deposit
5 account. In response, Batte wrote that he only had one clients’ trust account and explained
6 that he was unaware he needed another.

7 **(3) Conclusion of Law:** By failing to open and maintain a clients’ trust account-security
8 deposit account as required, Batte violated ORS 696.301(3) and its implementing rule OAR
9 863-025-0025(6)(7) 1/1/2024 Edition.

10 1.6 Batte provided Ray with clients’ trust account reconciliation records for February,
11 March, and April 2024. Batte did not provide a receipts and disbursements journal or
12 supporting documentation to support Part II of the Trust Account Reconciliation document for
13 the April 2024 reconciliation.

14 1.7 Ray followed up with Batte and requested he identify who, of the ten owners
15 identified on the February 2024 owners’ ledger, he held security deposits for. In addition, Ray
16 requested Batte provide the property management agreements for three of those owners.

17 1.8 Batte provided Ray with three property management agreements, but none of the
18 owners were listed on the February or March 2024 owners’ ledgers.

19 **(4) Conclusion of Law:** By failing to maintain owner ledgers for each property
20 management agreement, Batte violated ORS 696.301(3) and its implementing rule OAR 863-
21 025-0035(1)(c) 1/1/2024 Edition.

22 **(5) Conclusion of Law:** By failing to maintain at least one separate owner’s ledger for
23 each property management agreement, for all funds received and disbursed, Batte violated
24 ORS 696.301(3) and its implementing rule OAR 863-025-0055(1) 1/1/2024 Edition.

25 1.9 A review of the property management agreements provided showed one was
26 unsigned, and undated, but had an effective date of October 1, 2024.

27 1.10 Another property management agreement was signed and dated by the owners
28 on May 16, 2024, and by Batte on July 10, 2024. The effective date was May 16, 2024.
29
30

1 **(6) Conclusion of Law:** By failing to sign and date a property management agreement,
2 Batte violated ORS 696.301(3) and its implementing rule OAR 863-025-0020(2)(L)(m)
3 1/1/2024 Edition.

4 1.11 Further review of the property management agreements showed no section that
5 identified what was to be done with security deposits received by tenants.

6 1.12 In an email to Ray, Batte wrote that they hold security deposits for all owners.
7 Batte also confirmed in that email that as of November 15, 2024, he had not yet opened a
8 clients' trust account – security deposit account.

9 **(7) Conclusion of Law:** By maintaining security deposits in a clients' trust account, Batte
10 violated ORS 696.301(3) and its implementing rule OAR 863-025-0025(5)(a)(b) 1/1/2024
11 Edition.

12 1.13 A review of the February 2024 reconciliation records for CTA #5135 showed Part
13 I to have a balance of \$37,301.29, with no outstanding deposits or checks. Parts II and III had
14 a balance of \$37,805.02, and Part IV had a difference of -\$503.73 with an explanation of
15 "Please see proceeding audit."

16 1.14 The February 2024 Trust Account Reconciliation document was not signed or
17 dated by Batte.

18 1.15 A review of the March 2024 reconciliation records for CTA #5135 showed Part I
19 to have a balance of \$32,476.57, with no outstanding deposits or checks. Parts II and III had a
20 balance of \$24,876.79, and Part IV had a difference of \$7,542.78 with an explanation of
21 "Numerous checks deposited in the bank account and registered as a payment but deposit not
22 recorded in system until next month."

23 1.16 The March 2024 Trust Account Reconciliation document was not signed or dated
24 by Batte.

25 **(8) Conclusion of Law:** By failing to sign and date the Trust Account Reconciliation
26 document, attesting to its completeness and accuracy, Batte violated ORS 696.301(3) and its
27 implementing rule OAR 863-025-0028(2)(a)(A)(B)(C)(b)(d)(B) 1/1/2024 Edition.

28 1.17 A review of the February 2024 bank statement identifies the account as "Property
29 Management."
30

1 **(9) Conclusion of Law:** By failing to use the correct labeling of a clients' trust account,
2 Batte violated ORS 696.301(3) and its implementing rule OAR 863-025-0025(1)(a) 1/1/2024
3 Edition.

4 1.18 The February 2024 bank statement showed 11 point-of-sale withdrawals. None
5 of the point-of-sale withdrawals corresponded with any property ledger or disbursement.

6 1.19 Many of the deposits on the bank statement did not match or were unaccounted
7 for on the corresponding receipts and disbursements journal.

8 1.20 The March 2024 bank statement showed five point-of-sale withdrawals.

9 1.21 In an interview with Batte and employee Allison Davidson (A. Davidson), Batte
10 explained that some of the point-of-sale withdrawals were for keys, marketing supplies, and
11 repairs. Batte explained that he does not account for these charges within his accounting
12 software, but he adds up all the charges and deducts the amount from the property
13 management income or receives a separate check from the property owner.

14 1.22 Batte confirmed that the point-of-sale withdrawals were made using a debit card.

15 **(10) Conclusion of Law:** By failing to maintain a record of receipts and disbursements,
16 Batte violated ORS 696.301(3) and its implementing rule OAR 863-025-
17 0040(2)(a)(C)(b)(C)(D)(c)(5)(6)(a)(b)(c) 1/1/2024 Edition.

18 **(11) Conclusion of Law:** By using a debit card against the funds of others, Batte violated
19 ORS 696.301(3) and its implementing rule OAR 863-025-0025(12) 1/1/2024 Edition.

20 1.23 In an email to Ray, Batte explained that their "numbers are all over the place due
21 to lack of understanding of how our software worked." Batte further explained that they would
22 "register a payment, deposit the funds in the bank, but then NOT register the deposit in the
23 system until weeks after."

24 **(12) Conclusion of Law:** By failing to maintain records of property management in his
25 computerized record keeping system in a way that readily enabled tracking and reconciling,
26 Batte violated ORS 696.301(3) and its implementing rule OAR 863-025-0035(3)(b) 1/1/2024
27 Edition.

28 **(13) Conclusion of Law:** By failing to maintain complete and adequate records of receipts
29 and disbursements, Batte demonstrated a lack of supervision and control over the property
30

1 management activity of the registered business his license was associated with, in violation
2 ORS 696.301(3) and its implementing rule OAR 863-015-0140(3) 1/1/2024 Edition.

3 1.24 A review of the February 2024 Bank Account Balance Breakdown report showed
4 three owners listed as inactive, but with balances. One owner listed held a negative balance.

5 1.25 A review of the March 2024 Bank Account Balance Breakdown report showed
6 the same owners listed as inactive that were identified in the February report, with the same
7 ledger balances. The report also listed two owners that held a negative balance.

8 1.26 During the interview, Batte explained that he does not know why the inactive
9 accounts remained on the ledger. Regarding the negative balances, Batte explained this was
10 because they had been sending out electronic fund transfers (EFT) to owners and Buildium
11 was slow in letting them know when a tenant's EFT had bounced.

12 **(14) Conclusion of Law:** By disbursing funds from a clients' trust account when there were
13 not sufficient funds to do so, Batte violated ORS 696.301(3) and its implementing rule OAR
14 863-025-0027(3)(7) 1/1/2024 Edition.

15 1.27 Batte told Ray that A. Davidson and her husband Jason Davidson (J. Davidson)
16 help with the property management side of the business. Batte explained that A. Davidson
17 works with tenants, takes care of leases, gets repairs done and helps with tours. Batte said
18 that J. Davidson handles the owner side of things.

19 1.28 In a follow-up email to Ray, Batte wrote that J. Davidson helps with "all licensed
20 activities" and A. Davidson assists with bookkeeping, DocuSign, tenant requests, and showing
21 rentals to tenants.

22 1.29 Batte confirmed to Ray that he did not have a delegation of authority for A.
23 Davidson or J. Davidson.

24 **(15) Conclusion of Law:** By failing to have a written delegation of authority for staff carrying
25 out property management activity under his license, Batte violated ORS 696.301(3) and its
26 implementing rule OAR 863-025-0015(5)(a)(b)(c) 1/1/2024 Edition.

27 1.30 Ray requested Batte provide copies of receipts for the point-of-sale withdrawals
28 identified on the February 2024 bank statement, along with the owner ledgers of the owners
29 those charges affected. Ray also asked Batte to provide his spreadsheet for the miscellaneous
30 point-of-sale withdrawals.

1.31 Batte explained that he did not retain the receipts for any of those charges and does not always have a spreadsheet on the minor expenses.

(16) Conclusion of Law: By failing to maintain invoices and receipts within the record of receipts and disbursements, Batte violated ORS 696.301(3) and its implementing rule OAR 863-025-0040(8) 1/1/2024 Edition. In addition, Batte violated ORS 696.301(3) and its implementing rule OAR 863-025-0035(1)(h)(L)(4) 1/1/2024 Edition.

(17) Conclusion of Law: By failing to maintain a complete record of funds received, Batte violated ORS 696.301(3) and its implementing rule OAR 863-025-0065(4)(8) 1/1/2024 Edition.

1.32 All of the above demonstrates a failure to uphold affirmative duties to account in a timely manner for all funds received from or on behalf of the owner, and to act in a fiduciary manner in all matters relating to trust funds.

(18) Conclusion of Law: Based on the foregoing, Batte failed in duties to the owner, a violation of ORS 696.301(3) as it incorporates ORS 696.890(4)(c)(d)(e) 2023 Edition.

1.33 All of the above demonstrates incompetence or untrustworthiness in performing acts for which the real estate licensee is required to hold a license and conduct that is below the standard of care for the practice of professional real estate activity in Oregon.

(19) Conclusion of Law: Based on the foregoing, Licensee is subject to discipline under ORS 696.301(12) and (15) 2023 Edition.

2.

2.1 The foregoing violations are grounds for discipline pursuant to ORS 696.301.

2.2 The Agency reserves the right to investigate and pursue additional complaints that may be received in the future regarding this licensee.

2.3 In establishing the violations alleged above, the Agency may rely on one or more of the definitions contained in ORS 696.010.

3.

STIPULATION AND WAIVER

I, Jamie Batte, have read and reviewed this Stipulated Final Order and its Findings of Fact, Statements of Law and Conclusions of Law. I understand that the Findings of Fact, Conclusions of Law and this Stipulation and Waiver of Hearing rights embody the full and

1 complete agreement and stipulation between the Agency and me. I further understand that if I
2 do not agree with this stipulation, I have the right to request a Hearing on this matter and to be
3 represented by legal counsel at such a Hearing. I also understand that any Hearing would be
4 conducted in accordance with the procedures set forth in ORS Chapter 183 and in accordance
5 with the Rules of Practice and Procedure adopted by the Attorney General of the State of
6 Oregon. By signing this Stipulated Final Order, I freely and voluntarily waive my rights to a
7 Hearing, to representation by legal counsel at such a Hearing, and to judicial review of this
8 matter.

9 I hereby agree and stipulate to the above Findings of Fact and Conclusions of Law and
10 understand that the Order which follows hereafter, which I have also read and understand,
11 may be completed and signed by the Real Estate Commissioner or may be rejected by the
12 Real Estate Commissioner. I further understand that, in accordance with the provisions of
13 ORS 696.445(3), notice of this Order shall be published in the Oregon Real Estate News
14 Journal.

15 In addition to all of the above, I agree that once the Commissioner executes this
16 Stipulated Final Order, I will accept service of the Stipulated Final Order by email, and hereby
17 waive the right to challenge the validity of service.

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ORDER

IT IS HEREBY ORDERED that Jamie Batte's principal broker license be reprimanded.

IT IS FURTHER ORDERED that due to the violations addressed above, Jamie Batte will be subject to a future clients' trust account reconciliation review within three months of the issuance of this order.

IT IS SO STIPULATED:

DocuSigned by:



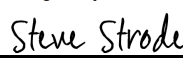
607F1256561D4C8...

JAMIE BATTE

Date 8/7/2025 | 5:02 PM PDT

IT IS SO ORDERED:

Signed by:



E2C2D0097AD8471...

STEVEN STRODE

Real Estate Commissioner

Date 8/11/2025 | 3:18 PM PDT

Date of Service: 8/11/2025



REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Real Estate License of
KRISTIN B BENSON
STIPULATED FINAL ORDER

The Oregon Real Estate Agency (Agency) and Kristin Benson (Benson) do hereby agree and stipulate to the following:

FINDINGS OF FACT
AND
CONCLUSIONS OF LAW

1.

1.1 At all times mentioned herein, Benson was licensed as a property manager with Grand Management Services, Inc (GMS).

1.2 On October 17, 2023, GMS was notified that clients' trust account ending in 5353 (CTA-SD #5353), which holds security deposits, has been selected for reconciliation review. An investigation was opened due to the outstanding issues found in the review.

1.3 A review of documents provided to the Agency during the reconciliation review, showed a check dated November 9, 2023, in the amount of \$26,195.00 deposited into CTA-SD #5353, from an account ending in #1651. An account ending in #1651 was not registered with the Agency as a clients' trust account.

1.4 Agency Investigator Dylan Ray (Ray) asked Benson to identify the account type for account ending in #1651. In response, Benson identified the account as the GMS operating account.

1 **(1) Conclusion of Law:** By comingling funds with clients' trust account funds, Benson
2 violated ORS 696.301(3) as it incorporates ORS 696.241(5)(a)(b) 2023 Edition.

3 1.5 Benson provided the Agency with the July 2024 reconciliation for CTA-SD
4 #5353, and supporting documentation.

5 1.6 A review of Schedule A, included with the July 2024 Trust Account
6 Reconciliation document for CTA-SD #5353 showed seven uncleared deposits totaling
7 \$7,645.00. The date range for the uncleared deposits was August 31, 2023, through
8 July 31, 2024.

9 1.7 A review of Schedule B, showed a check to GMS in the amount of \$40.00,
10 dated January 23, 2024, that had not been deposited.

11 1.8 On October 2, 2024, Ray interviewed Benson, along with employees
12 Marcy Rackley (Rackley) and Sharon Peak (Peak). Rackley explained that the \$40.00
13 payment to GMS was an application fee that had been put into the wrong account.
14 Benson provided Ray a copy of the check which had cleared the bank on August 27,
15 2024.

16 1.9 Rackley explained that a \$1,400.00 uncleared deposit from June 28, 2024,
17 had been deposited in the wrong account, and that it was transferred into the correct
18 account on August 26, 2024.

19 **(2) Conclusion of Law:** By failing to identify uncleared deposits and take corrective action
20 for funds deposited into a clients' trust account prior to the next reconciliation, Benson violated
21 ORS 696.301(3) and its implementing rule OAR 863-025-0028(4) 1/1/2024 Edition. In addition,
22 Benson violated ORS 606.301(3) and its implementing rule OAR 863-025-0065(4) 1/1/2024
23 Edition.

24 1.10 A review of the July 2024 bank statement for CTA-SD #5353 showed an
25 ending balance of \$562,740.40. This was a difference of \$31.04 from what was included
26 on Part I of the July 2024 Trust Account Reconciliation document.

27 1.11 A review of the Security Deposit Funds Detail report showed a total
28 balance of \$569,888.04. This was a difference of \$426.32 from what was included on
29 Part III of the July 2024 Trust Account Reconciliation document.
30

1 **(3) Conclusion of Law:** By failing to correctly identify balance differences of CTA-SD
2 #5353 on all three parts of the Trust Account Reconciliation document, Benson violated ORS
3 696.301(3) and its implementing rule OAR 863-025-0028(3)(b) 1/1/2024 Edition.

4 1.12 The Security Deposit Funds Detail report included tenants identified as
5 “past” with move out dates dating to March 2022, but with ledger balances.

6 1.13 Tenant Lloyd Luthringer (Luthringer) was included on the report with a
7 move-out date of March 31, 2022, and a balance of \$1,025.00.

8 1.14 During the interview, Benson explained to Ray that the tenant Luthringer
9 did not move out, but the property was sold and GMS was not given instructions on what to do
10 with the funds. Peak further explained that she usually requires a copy of the HUD-1 to show if
11 the funds had been transferred as part of closing, but they could not get a copy.

12 1.15 Peak confirmed in the interview that GMS was still holding the funds and
13 had not taken any additional action to obtain instructions on what to do with the funds.

14 1.16 On October 11, 2024, in an email to Ray, Peak wrote that Luthringer was
15 closed out and a check was issued to him for the balance as they were still unable to
16 reach the prior owner for instructions.

17 **(4) Conclusion of Law:** By failing to follow the terms of the tenant agreement for the
18 disbursement of security deposit funds, and ensure or obtain compliance with direction
19 when the property sold and was no longer managed by GMS, Benson violated ORS
20 696.301(3) and its implementing rule OAR 863-025-0030(1)(a)(b)(c)(d) 1/1/2022,
21 1/1/2023, 1/1/2024 Editions.

22 1.17 During the interview, Ray asked Benson why they transferred \$26,195.00
23 from their business operating account into CTA-SD #5353. In response, Benson
24 explained “they were missing.” Peak added that “old deposits were missing.”

25 1.18 Ray followed up and asked if they were able to identify what caused the
26 deficit. Benson explained they had “suspicions that there was an employee who stole...”
27 Benson noted that the employee was no longer working for GMS as of early 2017.

28 1.19 Ray asked for confirmation that they knew about the missing funds in
29 2017. In response, Peak said “...they were still sitting on the reconciliations. We hadn’t
30 addressed them.” Peak indicated that it was discovered in November 2019.

1 **(5) Conclusion of Law:** By failing to reconcile discrepancies with CTA-SD #5353 when
2 becoming aware in 2019 that funds were missing, Benson violated ORS 696.301(3) and
3 its implementing rule OAR 863-025-0028(4) 1/1/2018, 1/1/2019, 1/1/2020, 1/1/2021,
4 1/1/2022, 1/1/2023 and 1/1/2024 Editions, In addition, Benson violated ORS 696.301(3) as it
5 incorporates ORS 696.890(4)(c)(e) 2017, 2019, 2021, 2023 Editions.

6 1.20 All of the above demonstrate incompetence or untrustworthiness in performing
7 acts for which the real estate licensee is required to hold a license and conduct that is below
8 the standard of care for the practice of professional real estate activity in Oregon.

9 **(6) Conclusion of Law:** Based on the foregoing, Licensee is subject to discipline under
10 ORS 696.301(12) and (15) 2023 Edition.

11 2.

12 2.1 The foregoing violations are grounds for discipline pursuant to ORS 696.301.

13 2.2 The Agency reserves the right to investigate and pursue additional complaints
14 that may be received in the future regarding this licensee.

15 2.3 In establishing the violations alleged above, the Agency may rely on one or more
16 of the definitions contained in ORS 696.010.

17
18 3.

19 STIPULATION AND WAIVER

20 I, Kristin Benson, have read and reviewed this Stipulated Final Order and its Findings of
21 Fact, Statements of Law and Conclusions of Law. I understand that the Findings of Fact,
22 Conclusions of Law and this Stipulation and Waiver of Hearing rights embody the full and
23 complete agreement and stipulation between the Agency and me. I further understand that if I
24 do not agree with this stipulation, I have the right to request a Hearing on this matter and to be
25 represented by legal counsel at such a Hearing. I also understand that any Hearing would be
26 conducted in accordance with the procedures set forth in ORS Chapter 183 and in accordance
27 with the Rules of Practice and Procedure adopted by the Attorney General of the State of
28 Oregon. By signing this Stipulated Final Order, I freely and voluntarily waive my rights to a
29 Hearing, to representation by legal counsel at such a Hearing, and to judicial review of this
30 matter.

I hereby agree and stipulate to the above Findings of Fact and Conclusions of Law and understand that the Order which follows hereafter, which I have also read and understand, may be completed and signed by the Real Estate Commissioner or may be rejected by the Real Estate Commissioner. I further understand that, in accordance with the provisions of ORS 696.445(3), notice of this Order shall be published in the Oregon Real Estate News Journal.

In addition to all of the above, I agree that once the Commissioner executes this Stipulated Final Order, I will accept service of the Stipulated Final Order by email, and hereby waive the right to challenge the validity of service.

ORDER

IT IS HEREBY ORDERED that Kristin Benson's property manager license be reprimanded.

IT IS SO STIPULATED:

IT IS SO ORDERED:

Signed by:

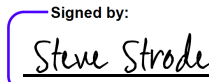


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KRISTIN BENSON

Date 8/19/2025 | 5:41 PM PDT

Signed by:



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STEVEN STRODE

Real Estate Commissioner

Date 8/20/2025 | 8:51 AM PDT



Date of Service: 8/20/2025

REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Real Estate License of
SUZANNE ELIZABETH FREDERICKSON
STIPULATED FINAL ORDER

The Oregon Real Estate Agency (Agency) and Suzanne Frederickson (Frederickson)
do hereby agree and stipulate to the following:

FINDINGS OF FACT
AND
CONCLUSIONS OF LAW

1.

1.1 At all times mentioned herein, Frederickson was licensed as a principal broker
with Suzanne Frederickson Realty.

1.2 On August 27, 2024, the Agency received a complaint from Tracy Hunter
(Hunter) against Frederickson. In her complaint, Hunter wrote that she represented a buyer
interested in purchasing Frederickson's property. Hunter wrote that Frederickson failed to
identify herself as both a licensee and the seller in an advertisement for the property. In
addition, Hunter wrote that Frederickson used a contractor that was not licensed or bonded,
even though she had agreed to. The Agency opened an investigation.

1.3 In response to the complaint, Frederickson wrote to the Agency that all repairs
were done by licensed contractors. Frederickson included in her response that the wording
"Licensed Realtor" was in the comment section of the listing and was also on the sale
agreement.

1.4 Hunter provided the Agency with an advertisement for Frederickson's property
dated April 15, 2024. The advertisement states it is the "Client Full" view. A review of the

1 advertisement showed there is no mention that Frederickson is a real estate licensee, or that
2 Frederickson is the listing broker.

3 1.5 In an interview with Agency Investigator Aaron Grimes (Grimes), Hunter
4 explained that Frederickson being a “Licensed Realtor” was only in the private remarks section
5 of the listing for other real estate brokers to see. Hunter said that information was not in the
6 public remarks and was not advertised out to the public.

7 1.6 Frederickson provided Grimes a copy of the listing agreement. “Listing agent is
8 also the seller” is included under the private remarks section. Nothing relating to this disclosure
9 was found in the public remarks section.

10 1.7 Frederickson told Grimes that she did not know she was supposed to put the
11 information in both the private and public remarks section of the listing agreement.

12 **(1) Conclusion of Law:** By failing to disclose herself as a real estate licensee, as well as
13 the seller of the property on the public listing agreement, Frederickson violated ORS
14 696.301(3) and its implementing rule OAR 863-015-0145(1)(a) 1/1/2024 Edition.

15 1.8 On March 22, 2024, Hunter submitted an offer on the property to Frederickson.
16 That same day, Frederickson emailed a counteroffer on the property to Hunter, which Hunter
17 did not accept.

18 1.9 Hunter emailed Frederickson that they could not accept the counteroffer sent
19 because the forms were not consistent between the Oregon Realtors Forms (OR Forms)
20 initially filled out, and the Oregon Real Estate Form (OREF) sent. Hunter also included that the
21 OREF counteroffer Frederickson had sent was on an outdated version of the form.

22 1.10 Grimes requested the fully completed counteroffer from Frederickson.
23 Frederickson told Grimes she was the victim of identify theft, and did not have any records.
24 Frederickson said her computer had to be wiped of all documents and emails, but she would
25 get documents from Pioneer Title Co, who provided escrow services for the failed transaction.

26 1.11 Grimes followed up with Frederickson on the requested documents. In response,
27 Frederickson wrote “I don’t have the completed counteroffer.”

28 **(2) Conclusion of Law:** By failing to store complete and accurate records, and have them
29 available when requested by the Agency, including copies of documents produced during the
30 transaction, Frederickson violated ORS 696.301(3) as it incorporates ORS 696.280(3) 2023

1 Edition. In addition, Frederickson violated ORS 696.301(3) and its implementing rule OAR 863-
2 015-0260(1)(a)(2) 1/1/2024 Edition.

3 1.12 Grimes received the transaction documents from Pioneer Title Co. A review of
4 the repair addendum stipulated eight repairs that were to be completed with licensed and
5 bonded contractors at the seller's expense. Frederickson signed the addendum on March 31,
6 2024.

7 1.13 On April 9, 2024, Frederickson emailed Hunter a notice of completion of repairs
8 stating the work was completed. The contractor's invoice for repairs listed work was completed
9 by Fritz Reuter Construction.

10 1.14 Hunter provided Grimes an email she sent to Frederickson that she had found
11 that contractor to be expired. A review of the Oregon Contractor Construction Board (CCB)
12 shows Fritz Reuter Construction's license expired on July 29, 2014.

13 1.15 Frederickson told Grimes that she does know how to look up whether someone
14 is licensed with the CCB, and she used the company because she knew they would be
15 available right way and could do the work.

16 1.16 On April 12, 2024, Hunter submitted a buyer's notice of termination.

17 **(3) Conclusion of Law:** By signing a repair addendum which specified that the seller was
18 to contract with a licensed and bonded contractor to complete a specified list of repairs and
19 then hiring a contractor whose license expired in 2014, Frederickson violated ORS 696.301(3)
20 as it incorporates ORS 696.805(2)(a) 2023 Edition.

21 1.17 All of the above demonstrates incompetence or untrustworthiness in performing
22 acts for which the real estate licensee is required to hold a license and conduct that is below
23 the standard of care for the practice of professional real estate activity in Oregon.

24 **(4) Conclusion of Law:** Based on the foregoing, Licensee is subject to discipline under
25 ORS 696.301(12) and (15) (2023 Edition)
26

27 2.

28 2.1 The foregoing violations are grounds for discipline pursuant to ORS 696.301.

29 2.2 The Agency reserves the right to investigate and pursue additional complaints
30 that may be received in the future regarding this licensee.

STIPULATION AND WAIVER

I hereby agree and stipulate to the above Findings of Fact and Conclusions of Law and understand that the Order which follows hereafter, which I have also read and understand, may be completed and signed by the Real Estate Commissioner or may be rejected by the Real Estate Commissioner. I further understand that, in accordance with the provisions of ORS 696.445(3), notice of this Order shall be published in the Oregon Real Estate News Journal.

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ORDER

IT IS HEREBY ORDERED that Suzanne Frederickson's principal broker license be reprimanded.

IT IS SO STIPULATED:

IT IS SO ORDERED:

Signed by:

Suzanne Frederickson

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SUZANNE FREDERICKSON

Date 8/13/2025 | 4:36 PM PDT

Signed by:

Steve Strode

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STEVEN STRODE

Real Estate Commissioner

Date 8/14/2025 | 8:38 AM PDT

Date of Service: 8/14/2025



In the Matter of the Real Estate License of

LACEY MARIE HAYES

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STIPULATED FINAL ORDER

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1.5 In an email to the Agency, Hayes stated that they do not transfer funds between properties unless the ownership of both properties agrees to do so in writing. Hayes further

1 explained that she reviewed all statements from September 2023 through October 2024, and
2 there were no transfers.

3 1.6 A review of the June 2023 owner statement for two properties showed funds
4 transferred from one property to the other in the amount of \$389.94.

5 1.7 In an email to Agency Investigator Lindsey Nunes (Nunes) Hayes stated that she
6 missed the transfer between ledgers when she reviewed the owner's statements.

7 1.8 Hayes provided Nunes screenshots from a May 12, 2023, email communication
8 between two employees, Stefan Granmo (Granmo) and Michelle Malig (Malig). In the email
9 communication, Malig wrote "Hi @Stefan Granmo There are unpaid utility bills for Aleen [sic]
10 SW Alice. Total is \$386.94. Just want to confirm first if it's okay to transfer funds between
11 properties?" In response, Granmo, wrote "Yes, please transfer funds between properties."

12 1.9 Hayes could not provide the supporting written documentation from the property
13 owner for permission to transfer the funds.

14 **(1) Conclusion of Law:** By failing to document written approval from the property owner for
15 permission to transfer funds between ledgers, Hayes violated ORS 696.301(3) and its
16 implementing rule OAR 863-025-0027(5)(a)(b) 1/1/2023 Edition.

17 1.10 A review of the owner's ledger for a property located on NE 57th Avenue, showed
18 the ending balance on May 9, 2023, of \$700.00. The beginning balance on May 10, 2023, was
19 \$1,850.00. Hayes did not identify funds received into the owner ledger to cause an increase in
20 funds.

21 1.11 A review of the owner's ledger for the NE 57th Avenue property showed an
22 ending balance on November 9, 2023, of \$1,347.39. The beginning balance on November 10,
23 2023, was \$2,247.39. Hayes did not identify funds received into the owner ledger to cause an
24 increase in funds.

25 **(2) Conclusion of Law:** By failing to identify the difference between the ending and
26 beginning balances on the owner's monthly ledger statement, Hayes violated ORS 696.301(3)
27 and its implementing rule OAR 863-025-0055(4) 1/1/2023 Edition.

28 1.12 In an interview with Nunes, Allen said tenants at a property on SE 58th Avenue,
29 stopped paying rent and RPMS failed to follow through with an eviction notice.

30 ///

1.13 Hayes provided Nunes with a copy of the 72-Hour Notice of Termination for Nonpayment of Rent, dated March 9, 2023, to the tenant of the property. The amount due for March 2023 rent and late fees totaled \$1,165.00.

1.14 Hayes explained to Nunes that when the tenants stopped paying rent, they notified their attorney, and he started the eviction process. Email records show that Hayes did not notify their attorney until May 4, 2023, requesting eviction services. That same day, the attorney notified Hayes that she is required to use either a 10-Day Notice of Termination for Nonpayment of Rent or a 13-Day Notice of Termination for Nonpayment for Rent depending on what day of the month rent is issued.

1.15 In email communication between Hayes and her attorney on May 30, 2023, Hayes asks if there is a date set for eviction. That same day, her attorney wrote "This is the first email we've gotten about this matter since the nonpayment termination notice was issued on May 8. If RPMS did not get paid as required by this termination notice, we can file an FED immediately."

1.16 Hayes provided Nunes with a copy of the 10-Day Notice of Termination for Nonpayment of Rent to the tenants, dated June 8, 2023. The notice shows the amount due, including late fees, as \$4,660.00 for the months of March through June 2023.

1.17 A trial date was set and the tenant failed to appear. The tenant vacated the property on or about August 16, 2023.

1.18 A review of the tenant ledger showed the tenant moved into the property in February 2023 and paid first month's rent. The tenant failed to pay rent in March, April, May, June, July, and August 2023. According to the tenant ledger, after move-out costs from the tenant, there was \$8,121.00 owed to Allen, of which \$6,390.00 was past due rent.

(3) Conclusion of Law: By failing to show reasonable care and diligence to a property owner, resulting in 6-months of lost rental income, Hayes violated ORS 696.301(3) as it incorporates ORS 696.890(4)(c)(e)(f)(5) 2023 Edition.

1.19 A review of the property management agreement includes if tenants do not pay rent in full by the 8th of the month, the owner shall be notified as legal collection processes begin.

1 1.20 Nunes asked Hayes when Allen was notified the tenants had only paid the first
2 month's rent.

3 1.21 Hayes responded that the property manager who was assigned to Allen's
4 properties no longer worked for RPMS, and all his emails were deleted. Hayes did not have
5 documentation of the email notification to Allen.

6 **(4) Conclusion of Law:** By failing to maintain records of professional property
7 management activity, Hayes violated ORS 696.301(3) as it incorporates ORS
8 696.280(1)(4)(c)(d)(5) 2023 Edition.

9 1.22 Allen terminated his property management agreement with RPMS on November
10 17, 2023. Hayes provided Allen's final accounting, which showed funds paid as of January 30,
11 2024.

12 1.23 Hayes explained that Allen's termination date had been entered as January 13,
13 2024, but RPMS terminated with Allen on November 17, 2023. Hayes stated the reason the
14 final accounting was 74 days and not 60 days, was a result of the system reflecting the end
15 date of January 13, 2024.

16 1.24 Allen confirmed that he received final accounting in February 2024.

17 **(5) Conclusion of Law:** By failing to return final accounting to the property owner within
18 60-days from the termination date of the property management agreement, Hayes violated
19 ORS 696.301(3) and its implementing rule OAR 863-025-0070(2)(a)(b)(A)(B)(C)(D) 1/1/2024
20 Edition. In addition, Hayes violated ORS 696.301(3) as it incorporates ORS 696.890(4)(c)(d)(e)
21 2023 Edition.

22 1.25 All of the above demonstrate incompetence or untrustworthiness in performing
23 acts for which the real estate licensee is required to hold a license.

24 **(6) Conclusion of Law:** Based on the foregoing, Licensee is subject to discipline under
25 ORS 696.301(12) 2023 Edition
26

27 2.

28 2.1 The foregoing violations are grounds for discipline pursuant to ORS 696.301.

29 2.2 The Agency reserves the right to investigate and pursue additional complaints
30 that may be received in the future regarding this licensee.

2.3 In establishing the violations alleged above, the Agency may rely on one or more of the definitions contained in ORS 696.010.

3.

STIPULATION AND WAIVER

I, Lacey Hayes, have read and reviewed this Stipulated Final Order and its Findings of Fact, Statements of Law and Conclusions of Law. I understand that the Findings of Fact, Conclusions of Law and this Stipulation and Waiver of Hearing rights embody the full and complete agreement and stipulation between the Agency and me. I further understand that if I do not agree with this stipulation, I have the right to request a Hearing on this matter and to be represented by legal counsel at such a Hearing. I also understand that any Hearing would be conducted in accordance with the procedures set forth in ORS Chapter 183 and in accordance with the Rules of Practice and Procedure adopted by the Attorney General of the State of Oregon. By signing this Stipulated Final Order, I freely and voluntarily waive my rights to a Hearing, to representation by legal counsel at such a Hearing, and to judicial review of this matter.

I hereby agree and stipulate to the above Findings of Fact and Conclusions of Law and understand that the Order which follows hereafter, which I have also read and understand, may be completed and signed by the Real Estate Commissioner or may be rejected by the Real Estate Commissioner. I further understand that, in accordance with the provisions of ORS 696.445(3), notice of this Order shall be published in the Oregon Real Estate News Journal.

In addition to all of the above, I agree that once the Commissioner executes this Stipulated Final Order, I will accept service of the Stipulated Final Order by email, and hereby waive the right to challenge the validity of service.

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ORDER

IT IS HEREBY ORDERED that Lacey Hayes' property manager license be reprimanded.

IT IS SO STIPULATED:

IT IS SO ORDERED:

DocuSigned by:

Lacey Hayes

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LACEY HAYES

Date 9/11/2025 | 9:39 AM PDT

Signed by:

Steve Strode

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STEVEN STRODE

Real Estate Commissioner

Date 9/12/2025 | 8:23 AM PDT

Date of Service: 9/12/2025



REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Real Estate License of
TOBIN LEITH JOHNSON

}
}
}
}
}

STIPULATED FINAL ORDER

The Oregon Real Estate Agency (Agency) and Tobin Johnson (Johnson) do hereby agree and stipulate to the following:

FINDINGS OF FACT
AND
CONCLUSIONS OF LAW

1.

1.1 At all times mentioned herein, Johnson was licensed as a principal broker with Kinetic Properties, LLC.

1.2 On August 19, 2024, the Agency received a complaint from Janice Elhindi (J. Elhindi) against Johnson. J. Elhindi alleged in her complaint that three units in the apartment complex she owned had been vacant for over a year. In addition, J. Elhindi alleged that a tenant security deposit was not deposited for several months after receipt. The Agency opened an investigation.

1.3 A review of records provided to the Agency showed J. Elhindi and her husband Bob Elhindi (B. Elhindi) own a 25-unit apartment complex in Beaverton, OR.

1.4 Johnson provided the Agency with Rent Roll reports for the period May 2024 through September 2024. A review of these records showed there were no vacancies in any of the apartments for longer than three months.

1.5 In her complaint, J. Elhindi wrote that a new tenant paid their security deposit when they moved in on March 15, 2024. The tenant gave the security deposit, in the amount of \$800.00, to B. Elhindi, who then let Johnson know the check was in the office at the apartment

1 complex. J. Elhindi wrote that Johnson never picked up the check, and B. Elhindi took the
2 check to Johnson on May 1, 2024.

3 1.6 A review of communication provided to the Agency showed a text message on
4 March 14, 2024, between the tenant and Johnson. In the text message, Johnson wrote "Don't
5 worry about the security deposit being listed as due. Bob told me he slid the check into the
6 desk in the office."

7 1.7 Between April 12, 2024, and July 16, 2024, the tenant communicated with
8 Johnson via email and text message inquiring about the security deposit balance that was still
9 showing in their online portal.

10 1.8 On July 16, 2024, the tenant texted Johnson an image of a cashier's check that
11 had been deposited. In response, Johnson texted "This check was never deposited in either
12 the operating account or the security deposit account. My suggestion would be to put a stop
13 payment on it and have them reissue." The tenant notified Johnson that the check was cashed
14 on May 1, 2024.

15 1.9 Johnson let the tenant know that he found the payment and would correct their
16 ledger. Johnson confirmed the check was cashed on May 1, 2024.

17 **(1) Conclusion of Law:** By failing to deposit a tenant security deposit within five banking
18 days after receipt, Johnson violated ORS 696.301(3) and its implementing rule OAR 863-025-
19 0025(7) 1/1/2024 Edition. In addition, Johnson violated ORS 696.301(3) and its implementing
20 rule OAR 863-025-0065(4) 1/1/2024 Edition.

21 **(2) Conclusion of Law:** By failing to timely deposit funds received on behalf of the property
22 owner, Johnson violated ORS 696.301(3) as it incorporates ORS 696.890(4)(c)(d)(e) 2023
23 Edition.

24 1.10 A review of the tenant ledger showed a payment entry from the tenant dated May
25 1, 2024, in the amount of \$800.00. Johnson's last text messages to the tenant were on July 16,
26 2024,

27 1.11 In an email to Agency Investigator Cidia Nañez (Nañez), Johnson wrote "Yes, the
28 receipt was backdated to the day it was actually deposited at the bank."
29
30

1.12 In an interview with Nañez, Johnson clarified that the tenant's security deposit cashier's check was entered as a rent payment that was posted to apartment 6, instead of apartment 26.

1.13 Johnson provided Nañez the May 2024 bank statements for clients' trust accounts ending in 3448 (CTA #3448) and security deposit account ending in 3445 (CTA-SD #3445), along with the May 2024 reconciliation for CTA #3448.

1.14 A review of the records provided showed Johnson had included a May 2024 General Ledger report that showed a receipt of \$800.00 from the tenant, dated May 1, 2024.

1.15 Johnson's backdated entry of the security deposit removed documentation from the receipts and disbursements journal that showed the \$800.00 security deposit had originally been misapplied as a rent payment to a different apartment.

(3) Conclusion of Law: By failing to maintain complete and adequate records of property management activity in a format that readily enables tracking and reconciliation, Johnson violated ORS 696.301(3) and its implementing rule OAR 863-025-0035(3)(b) 1/1/2024 Edition.

1.16 The May 2024 Trust Account Reconciliation document for CTA #3448 was signed and dated on September 9, 2024.

(4) Conclusion of Law: By failing to reconcile CTA #3448 within 30 days of the bank statement, Johnson violated ORS 696.301(3) and its implementing rule OAR 863-025-0028(2)(d)(A)(B) 1/1/2024 Edition.

1.17 All of the above demonstrate incompetence or untrustworthiness in performing acts for which the real estate licensee is required to hold a license and conduct that is below the standard of care for the practice of professional real estate activity in Oregon.

(5) Conclusion of Law: Based on the foregoing, Licensee is subject to discipline under ORS 696.301(12) and (15) 2023 Edition.

2.

2.1 The foregoing violations are grounds for discipline pursuant to ORS 696.301.

2.2 The Agency reserves the right to investigate and pursue additional complaints that may be received in the future regarding this licensee.

STIPULATION AND WAIVER

I hereby agree and stipulate to the above Findings of Fact and Conclusions of Law and understand that the Order which follows hereafter, which I have also read and understand, may be completed and signed by the Real Estate Commissioner or may be rejected by the Real Estate Commissioner. I further understand that, in accordance with the provisions of ORS 696.445(3), notice of this Order shall be published in the Oregon Real Estate News Journal.

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ORDER

IT IS HEREBY ORDERED that Tobin Johnson's principal broker license be reprimanded.

IT IS FURTHER ORDERED that due to the violations addressed above, Tobin Johnson will be subject to a future clients' trust account reconciliation review within 6 months of the issuance of this order.

IT IS SO STIPULATED:

DocuSigned by:

Tobin Johnson

CE8EE82C56F44A2...

TOBIN JOHNSON

Date 8/19/2025 | 2:39 PM PDT

IT IS SO ORDERED:

Signed by:

Steve Strode

E2C2D0097AD8471...

STEVEN STRODE

Real Estate Commissioner

Date 8/20/2025 | 8:50 AM PDT

Date of Service: 8/20/2025



REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Escrow Agent License of)
WESTERN TITLE & ESCROW COMPANY) STIPULATED FINAL ORDER

The Oregon Real Estate Agency (Agency) and Western Title & Escrow Company (Western Title) do hereby agree and stipulate to the following:

FINDINGS OF FACT
AND
CONCLUSIONS OF LAW

1.

1.1 At all times mentioned herein, Western Title was licensed as an escrow agent in Oregon.

1.2 On June 27, 2024, the Agency received a complaint from Kathryn Paterson (Paterson) against Western Title. In her complaint, Paterson alleged that after two failed transactions for the same property, the earnest money should have been returned to her, as was agreed to in the contract. Paterson alleged that Western Title sent her a letter stating the funds held in the escrow transaction were released to the depositing party and they were resigning as escrow holder. The Agency opened an investigation.

1.3 A review of records provided to the Agency show a Residential Real Estate Sale Agreement #SWAEG23-1401 (SA#SWAEG23-1401) was signed for the subject property on August 6, 2023, and was later terminated. A second Residential Real Estate Sale Agreement SEW2-1401 (SA #SEW2-1401) for the same property was signed by the same buyers on October 19, 2023.

1.4 Paterson did not accept the buyer’s offer and submitted a counteroffer. The counteroffer included “Earnest Money to be non-refundable.”

1 1.5 The buyers did not accept Paterson's counteroffer and submitted a Buyer's
2 Counteroffer. The Buyer's Counteroffer included "2. Earnest money shall not be refundable."
3 Paterson accepted the Buyer's Counteroffer.

4 1.6 Emails provided to Agency Investigator Cidia Nañez (Nañez) by Matthew
5 Cleverly, Esq., legal counsel for Western Title and Escrow show that on October 22, 2023, the
6 buyer's broker Samantha Wright (Wright) emailed an escrow officer requesting to "Please
7 open escrow and find the Fully Executed Sales Agreement and all supporting documents for
8 9516 Siletz Hwy Lincoln City, OR attached."

9 1.7 The Transaction Manager with Keller Williams sent an email to Wright and
10 Paterson's broker Matthew Starck (Starck) on October 23, 2023, with details pertaining to the
11 executed offer, which included "Earnest Money: \$5,000 Due: 10/25/2023 – NON-
12 REFUNDABLE."

13 1.8 In an email exchange between Wright and the Transaction Manager, Wright
14 wrote "Just to clarify. The buyers counter offer that was accepted states that earnest money is
15 not non refundable." The Transaction Manager responded to Wright stating "On the buyer's
16 counter offer it states "EM shall not be refundable"?". Wright replied writing "...that was
17 supposed to say shall not be non-refundable. I think my computers spell check auto corrected
18 it. I will call the buyers!"

19 1.9 A review of the real estate records provided by both Paterson and Wright, show
20 there was no communication found between the parties regarding the correction of the
21 counteroffer and clarifying the alleged error, except for the October 23, 2023, email between
22 Wright, the Transaction Manager, with a copy to Starck. In addition, there were no documents
23 regarding the transaction identified or submitted to the Agency between October 23, 2023, and
24 the close date of November 9, 2023.

25 1.10 In an interview with Nañez on August 13, 2024, Paterson said no one could tell
26 her if they were closing. Paterson said she called Western Title the day before the transaction
27 was supposed to close, and they told her they had not heard from anyone.

28 1.11 A Termination Agreement was signed by Paterson on November 13, 2023,
29 instructing the escrow agent to disburse the earnest money, in the amount of \$5,000.00, to the
30 seller. The Termination Agreement was not signed by the buyers.

1 1.12 On December 15, 2023, the buyers emailed Escrow Assistant Sandra Snyder
2 (Snyder), stating, “This is to inform you that we have a dispute with the Seller regarding the
3 earnest money, and we are filing a request with the Realtor Ombudsman service to seek
4 resolution. The termination agreement has not yet been signed, and you will be notified when
5 appropriate as we proceed.”

6 1.13 A review of documents provided by Wright showed a Termination Agreement
7 dated January 5, 2024, instructing the escrow agent to disburse the earnest money, in the
8 amount of \$5,000.00, to the buyers. The agreement was not signed by Paterson.

9 1.14 Records show that on January 6, 2024, the buyers filed a claim with the Circuit
10 Court of Lincoln County. Paterson responded to the claim on January 24, 2024, denying the
11 claim, and made a counterclaim for \$5,000.00.

12 1.15 On March 13, 2024, the court entered a general judgment of dismissal in the
13 court register.

14 1.16 A review of communication showed an email from Escrow Officer Cindy Schmidt
15 dated June 13, 2024, stating “One of my managers reached out to let me know that the case
16 has been dismissed. Do we have a fully signed termination to follow to release the EM?”

17 1.17 On July 1, 2024, the Transaction manager responded writing, “I keep sending it
18 to the seller, she hasn’t signed it yet...”

19 1.18 Paterson provided a letter she received from Western Title, dated July 18, 2024,
20 The letter states “As a result of the successful sale and transfer of the subject property to a
21 third-party purchaser, all funds held in this escrow transaction are being released to the
22 depositing party and we are resigning as escrow holder.”

23 1.19 On August 12, 2024, legal counsel for Western Title emailed the Agency and
24 explained “Western Title resigned from the transaction after the seller had sold the property.
25 The earnest money was returned to the buyer on 7/18/2023 [sic].”

26 1.20 On October 17, 2024, Tara Thompson, Escrow Operations Manager with
27 Western Title responded to Paterson’s complaint. In her response, Thompson wrote, “Upon
28 receipt of the order of dismissal from the court, we again reached out the seller several times
29 for direction as the case had been dismissed and arbitration had not yielded a mutual decision.
30 The seller would not respond to our multiple attempts to reach out to her.” In addition,

1 Thompson wrote, "This transpired over a period of several months and we came to the
2 conclusion that the seller was not going to respond as she was not responding to her agent
3 either. Since we had no forwarding address, Western Title made the decision to resign from
4 the transaction."

5 1.21 On December 16, 2024, Danica Pennock, Executive Assistant to the President of
6 Western Title emailed the Agency and explained, "This was a misunderstanding between
7 myself and the escrow administrator as I thought we had reached out when in fact it was the
8 agent who was reaching out."

9 **(1) Conclusion of Law:** By failing to follow terms in a real estate sale agreement for the
10 distribution of earnest money to the seller and failing to obtain agreement in writing from the
11 principals for disputed funds, Western Title violated ORS 696.581(2)(3)(9) 2023 Edition.

12 **(2) Conclusion of Law:** By failing to follow written instructions in the real estate agreement
13 and subsequent addendum, Western Title violated OAR 863-015-0015 1/1/2023 Edition.

14 **(3) Conclusion of Law:** By failing to follow written instructions in the real estate sale
15 agreement and subsequent addendum or obtain agreed written instruction for disputed funds,
16 Western Title violated OAR 863-050-0055(4) 1/1/2023 Edition.

17 1.22 All of the above demonstrates untrustworthiness or incompetence to transact the
18 business of an escrow agent.

19 **(4) Conclusion of Law:** Based on the foregoing, Western Title is subject to discipline
20 under ORS 696.535(1)(b)(c) 2023 Edition.

21
22
23 2.

24 2.1 The foregoing violations are grounds for discipline pursuant to ORS 696.535(1).

25 2.2 The Agency reserves the right to investigate and pursue additional complaints
26 that may be received in the future regarding this entity.

27 2.3 In establishing the violations alleged above, the Agency may rely on one or more
28 of the definitions contained in ORS 696.505.

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3.

STIPULATION AND WAIVER

I, Western Title & Escrow Company, have read and reviewed this Stipulated Final Order and its Findings of Fact and Conclusions of Law. I understand that the Findings of Fact, Conclusions of Law and this Stipulation and Waiver of Hearing rights embody the full and complete agreement and stipulation between the Agency and Western Title & Escrow Company. I further understand that if Western Title & Escrow Company does not agree with this stipulation Western Title & Escrow Company has the right to request a Hearing on this matter and to be represented by legal counsel at such a Hearing. I also understand that any Hearing would be conducted in accordance with the procedures set forth in ORS Chapter 183 and in accordance with the Rules of Practice and Procedure adopted by the Attorney General of the State of Oregon. By signing this Stipulated Final Order Western Title & Escrow Company freely and voluntarily waive Western Title & Escrow Company's rights to a Hearing, to representation by legal counsel at such a Hearing, and to judicial review of this matter.

Western Title & Escrow Company hereby agrees and stipulates to the above Findings of Fact and Conclusions of Law and understand that the Order which follows hereafter, which I have also read and understand, may be completed and signed by the Real Estate Commissioner or may be rejected by the Real Estate Commissioner. I further understand that, in accordance with the provisions of ORS 696.445(3), notice of this Order shall be published in the Oregon Real Estate News Journal.

In addition to all of the above, Western Title & Escrow Company agrees that once the Commissioner executes this Stipulated Final Order, Western Title & Escrow Company will accept service of the Stipulated Final Order by email, and hereby waive the right to challenge the validity of service.

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IT IS HEREBY ORDERED that, pursuant to ORS 696.585 and based upon the violation(s) set forth above, Western Title & Escrow Company pay a civil penalty in the sum of \$3,000.00, said penalty to be paid to the General Fund of the State Treasury by paying the same to the OREA.

IT IS SO STIPULATED:

IT IS SO ORDERED:

Signed by:
By Western Title & Escrow
B348F6FC1F52499...
Title Executive Assistant
WESTERN TITLE & ESCROW COMPANY
Date 8/6/2025 | 9:20 AM PDT

Signed by:
Steve Strode
E2C2D0097AD8471...
Steven Strode
Real Estate Commissioner
Date 8/12/2025 | 8:44 AM PDT



Date of Service: 8/12/2025

REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Real Estate License of
HEATHER CAMPBELL YOUNG

STIPULATED FINAL ORDER

The Oregon Real Estate Agency (Agency) and Heather Young (Young) do hereby agree and stipulate to the following:

FINDINGS OF FACT
AND
CONCLUSIONS OF LAW

1.

1.1 At all times mentioned herein, Young was licensed as a real estate broker with Oregon First.

1.2 On December 12, 2024, the Agency received a complaint from Michael Rahsaan (Rahsaan), against Young. Rahsaan, with First American Title Continuing Education Provider, wrote in his complaint that his boss Tish Schutzler (Schutzler) told him that Young needed continuing education credits and for Rahsaan to produce ten classes for Young that she did not attend. Rahsaan wrote that Young's husband was the Area Manager for First American Title, and Rahsaan felt pressured to commit this fraud. The Agency opened an investigation.

1.3 In her response to the complaint, Young wrote to the Agency that as her renewal date approached, she realized she would not have enough time to complete all of her continuing education hours. Young wrote that she contacted her husband, Chris Young, and he requested that Schutzler provide Young with the unearned credit hours needed to fulfill her license requirements.

1.4 Young further wrote that her actions were "entirely inappropriate" and she wanted to take full responsibility.

1 1.5 Rahsaan provided the Agency with a list of ten classes which he produced
2 certificates for on April 29, 2024, but that Young did not take. A review of Young's renewal
3 showed the same ten classes as those provided by Rahsaan that she attested she had
4 completed online.

5 1.6 In an interview with Agency Investigator Aaron Grimes (Grimes), Rahsaan
6 explained that 80 percent of the continuing education classes are not offered online, they are
7 in-person classes.

8 1.7 In a review of all of the continuing education classes Young listed on her
9 renewal, many were listed as being completed on the same day, even though Rahsaan
10 confirmed to Grimes that those classes were offered at the same time, but in different
11 locations.

12 1.8 Young explained to Grimes that when she was focused on getting credit hours,
13 she wasn't necessarily trying to learn anything. Young said her focus was on cramming in
14 classes by the end of the renewal month. Young further explained that she was taking classes
15 on her phone while driving. She was able to take one class on one device, and a second class
16 on her phone.

17 1.9 Grimes interviewed Chris Young, who explained that he spoke with Schutzler
18 regarding Young's upcoming renewal, and Schutzler said she could help. Chris Young told
19 Grimes that First American Title had taken action against him as a result of helping his wife,
20 and he was given a reprimand.

21 1.10 Counsel for First American Title explained that Rahsaan is now the only one that
22 can approve the classes and is able to have oversight that someone took a course.

23 **(1) Conclusion of Law:** Young submitted continuing education credit hours on her renewal
24 application, that she did not take. This is Grounds for Discipline per ORS 696.301(3) as it
25 incorporates ORS 696.301(14) 2023 Edition.

26 **(2) Conclusion of Law:** By falsely certifying that she completed the required continuing
27 education courses, Young violated ORS 696.301(3) and its implementing rule OAR 863-020-
28 0010(2)(a)(5) 1/1/2024 Edition.

29 1.11 All of the above demonstrates conduct that is below the standard of care for the
30 practice of professional real estate activity in Oregon.

(3) Conclusion of Law: Based on the foregoing, Licensee is subject to discipline under ORS 696.301 (15) (2023 Edition).

2.

2.1 The foregoing violations are grounds for discipline pursuant to ORS 696.301.

2.2 The Agency reserves the right to investigate and pursue additional complaints that may be received in the future regarding this licensee.

2.3 In establishing the violations alleged above, the Agency may rely on one or more of the definitions contained in ORS 696.010.

3.

STIPULATION AND WAIVER

I, Heather Young, have read and reviewed this Stipulated Final Order and its Findings of Fact, Statements of Law and Conclusions of Law. I understand that the Findings of Fact, Conclusions of Law and this Stipulation and Waiver of Hearing rights embody the full and complete agreement and stipulation between the Agency and me. I further understand that if I do not agree with this stipulation, I have the right to request a Hearing on this matter and to be represented by legal counsel at such a Hearing. I also understand that any Hearing would be conducted in accordance with the procedures set forth in ORS Chapter 183 and in accordance with the Rules of Practice and Procedure adopted by the Attorney General of the State of Oregon. By signing this Stipulated Final Order, I freely and voluntarily waive my rights to a Hearing, to representation by legal counsel at such a Hearing, and to judicial review of this matter.

I hereby agree and stipulate to the above Findings of Fact and Conclusions of Law and understand that the Order which follows hereafter, which I have also read and understand, may be completed and signed by the Real Estate Commissioner or may be rejected by the Real Estate Commissioner. I further understand that, in accordance with the provisions of ORS 696.445(3), notice of this Order shall be published in the Oregon Real Estate News Journal.

In addition to all of the above, I agree that once the Commissioner executes this

1 Stipulated Final Order, I will accept service of the Stipulated Final Order by email, and hereby
2 waive the right to challenge the validity of service.

3 ORDER

4 IT IS HEREBY ORDERED that Heather Young's broker license be revoked.

7 IT IS SO STIPULATED:

9 Signed by:

10 

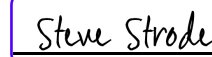
11 17A093CE283F458...

HEATHER CAMPBELL YOUNG

13 Date 8/14/2025 | 6:06 AM PDT

IT IS SO ORDERED:

Signed by:



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STEVEN STRODE

Real Estate Commissioner

Date 8/14/2025 | 8:37 AM PDT

Date of Service: 8/14/2025



**REAL ESTATE BOARD
REGULATION DIVISION REPORT
October 6, 2025**

Regulation Division Manager: Elli Kataura

Compliance Specialist 3 (Senior Case Analyst): Meghan Lewis

Financial Investigators (Investigator-Auditors): Lindsey Nunes, Cidia Nañez, Frank Leonard, Dylan Ray,
Megan Donovan

Administrative Specialist 2 (Case Resolution Coordinator): Amanda Moser

Division Overview

The Agency receives complaints and determines if an investigation is appropriate. Open cases are assigned to investigators to gather facts (from interviews and documents), prepare a detailed written report, and submit for Administrative Review. The Senior Case Analysts conducting the Administrative Review work evaluate whether the evidence supports a violation of Agency statutes or administrative rules. When a case finds sufficient cause to sanction a license, the case is elevated to the Commissioner for review. When the Commissioner supports a sanction, the Senior Case Analysts offer a settlement conference to resolve cases without a contested case hearing. If the respondent requests a hearing, the Investigator works with the Assistant Attorney General in preparing for and presenting the case at hearing.

Personnel

No updates or changes.

Workload and Activity Indicators

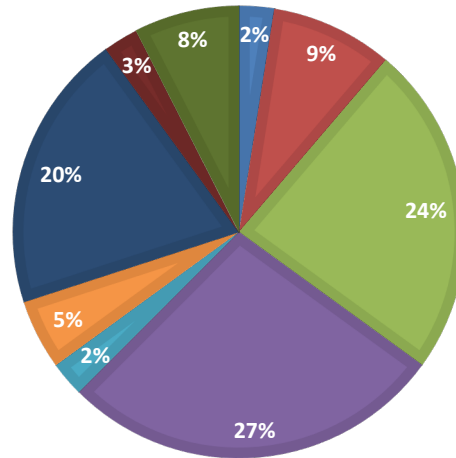
Average # in this status at the time	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Current 9/24/25</u>
Complaint	33	13	12	28	29
Investigation	44	26	49	46	21
<i>(# of Investigators)</i>	7	7	6*	6*	5
Admin Review	9	4	9	12	7
Settlement Process	70	4	7	4	1

* We had an investigator that was on extended leave for the majority of 2022-2023.

Investigation Resolution Through 9/18/2025	Total
Limited License	2
Closed No Action	7
ELOA	19
Closed No Violations	22
No Jurisdiction	2
Civil Penalty	4
Reprimand	16
Suspension	2
Revocation	6

INVESTIGATION RESOLUTION 2025 YTD

■ Limited License ■ Closed No Action ■ ELOA
■ Closed No Violations ■ No Jurisdiction ■ Civil Penalty
■ Reprimand ■ Suspension ■ Revocation



**REAL ESTATE BOARD
COMPLIANCE DIVISION REPORT
October 6, 2025**

Compliance Division Manager: Liz Hayes
Compliance Specialist 2: Jen Wetherbee
Compliance Specialist 1: Rick Marsland, Helen Wilson, Katie Nash
Senior Auditor (Escrow): Roger McComas

Division Overview

The Compliance Division ensures that licensees meet their fiduciary and administrative responsibilities by reviewing financial and administrative records. This division aims to conduct clients' trust account and compliance reviews and develop other compliance-related programs. This work includes providing technical assistance and sharing knowledge on the interpretation and application of laws and rules administered by the Agency (excluding legal advice) to licensees, the public, and other governmental agencies.

Presentation

The Agency is now hosting the Property Management and Reconciliation Requirements course. The course is free of charge and licensees will earn 2.5 hours of continuing education credit upon completion. The November 19th class is full, additional classes are scheduled for February 18, 2026, and May 13, 2026.

Workload and Activity Indicators

As of 09/23/2025	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
ELOA	3	2	2	4	44	79	81	13	55	101	141	123
No Violation	351	356	192	172	375	216	87	10	98	94	89	54
Investigation	14	5	3	8	10	29	7	2	13	20	23	2
Compliance Sanction												5
Resolved									72	182	216	160
Reviews Closed	368	363	197	184	429	324	175	25	238	397	469	344

(# of Staff)	3	4	4	5	6	6	1	1-2	2-4	3-4	3-4	4
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	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept
ELOA	10	10	4	18	21	14	14	13	19
No Violation	10	3	5	5	7	3	12	6	3
Investigation				2					
Compliance Sanction				1	1	1		1	1
Resolved	13	17	14	24	20	25	17	14	16
Total Closed	33	30	23	50	49	43	43	34	39

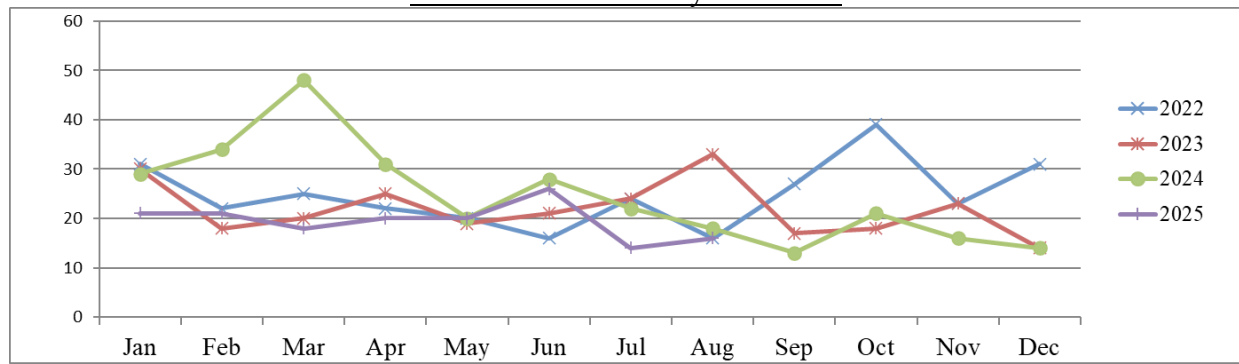
**Report to the Real Estate Board
Land Development Division
October 6th, 2025**

Division Manager: Michael Hanifin

Division Overview:

The Land Development Division reviews and approves filings related to condominiums, timeshares, subdivisions, manufactured home subdivisions, and membership campgrounds. The section reviews and approves the foundational documents creating these types of properties, as well as later amendments to those documents, to verify compliance with statutory requirements. We also issue the Disclosure Statement (sometimes referred to as a Public Report) required for sales of these interests to Oregonians. The Disclosure Statement summarizes key information about the condominium for the consumer, somewhat like the owner's manual for a car.

Workload and Activity Indicators



The division has had 156 filings through end of August 2025. The average number of filings per month thus far this year is 20, which is on par with the statistical average of 2010 through 2024.

Rulemaking:

The agency is currently engaged in rulemaking related primarily to the passage of HB 2373 and HB 3137. A hearing was held on September 15th, and the public comment period closed on September 21st. The current rulemaking generated a significant amount of comment, all regarding the prohibition on the use of “realty” or “real estate” in the name of real estate teams. That prohibition was included in one of the proposed rules. The driver for proposing the rule was to provide notice to licensees that this is prohibited. HB 3137 (section 13) specifically prohibits use of “realty” or “real estate” in team names. The agency is processing the feedback provided at this time.

**REAL ESTATE BOARD
LICENSING DIVISION REPORT
October 6, 2025**

Licensing Manager: Nenah Darville

Compliance Specialist: Tami Schemmel, Kaely Salem

Administrative Specialist: Elizabeth Hardwick, Cory King, Reagan Van Dorp, Sunny Deanda.

Division Overview

The Licensing Division acts as the first point of contact for the public and licensees. This division manages reception, licensing related services, general public inquiry and complaint intake and processing

Personnel

No updates at this time

Licensing Update

The most recent data available for division performance is as follows:

Average Call Hold Time for the month of August – 28 seconds

New complaints filed in the month of August – 38 new complaint submittals

Average Days Processing complaints for month August – 10 Days

Customer Service Overall Rating – 95% (March 1, 2025 - August 31, 2025)

RBN Renewal

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<u>Eligible to Renew</u>	397	339	332	320	320	254	249	272				
<u>Failed to Renew</u>	14	16	15	11	14	10	12	12				
<u>% Renewed</u>	96%	95%	95%	97%	96%	96%	95%	96%				

Licensing Statistics

Total Licensee Counts by Month:

Individuals (Persons)	July-25	Aug-25
Broker – Total	16,726	16,625
Active	15,084	15,034
Inactive	1,642	1,591
Principal Broker - Total	6,007	5,991
Active	5,607	5,586
Inactive	400	405
ALL BROKERS Total	22,733	22,616
Active	20,691	20,620
Inactive	2,042	1,996
Property Manager - Total	1,042	1,044
Active	932	930
Inactive	110	114
MCC Salesperson	12	13
MCC Broker	0	0
TOTAL INDIVIDUALS	23,787	23,673
Active	21,635	21,563
Inactive	2,152	2,110
Facilities (Companies)		
REMO	3	3
Registered Business Name (RBN)	3,699	3,687
Registered Branch Office (RBO)	740	743
Escrow Organization	84	82
Escrow Branch	189	190
Unit Owners Association	784	774
Pre-License Education Provider (PEP)	23	24
Wholesaler (WS)	23	33
CEP	284	286
MCC Operator	25	25
TOTAL FACILITIES	5,854	5,847
TOTAL INDIVIDUALS & FACILITIES	29,641	29,520

New Licenses by Month:

Individuals (Persons)	July-25	Aug-25
Broker	98	101
Principal Broker	11	17
TOTAL BROKERS	109	118
Property Manager	12	9
MCC Salesperson	0	1
MCC Broker	0	0
TOTAL INDIVIDUALS	121	128
Facilities (Companies)		
Continuing Education Provider (CEP)	3	2
REMO	0	0
Registered Business Name	38	17
Registered Branch Office	7	11
Escrow Organization	0	0
Escrow Branch	3	0
Unit Owners Association	5	9
Wholesaler	22	10
Pre-License Ed Provider	0	0
MCC Operator	0	0
TOTAL FACILITIES	78	49
TOTAL INDIVIDUALS & FACILITIES	199	177

Exam Statistics

August 2025

ALL LICENSING EXAMS Total

Broker	360
Property Manager	17
Principal Broker	42
Reactivation	2

Pass Rates

<u>First Time Pass Rate</u> <u>Percentage</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Broker State	47	44	42	44	44
Broker National	67	66	64	62	60
Principal Broker State	57	54	47	51	40
Principal Broker National	55	65	54	71	77
Property Manager	66	65	63	60	60

Total Number of Exams: Brokers, Principal Brokers, Property Manager Exams by Month													
By Month	January	February	March	April	May	June	July	August	September	October	November	December	Total
2000	176	205	234	256	236	194	216	213	188	181	189	162	2,450
2001	203	212	282	295	262	266	275	240	296	226	221	200	2,978
2002	251	384	456	617	1,297	1,202	11	51	97	81	127	160	4,734
2003	150	193	217	221	253	275	261	284	325	302	372	378	3,231
2004	283	299	342	365	395	392	378	314	348	299	385	407	4,207
2005	402	403	420	556	607	445	227	335	340	309	295	313	4,652
2006	328	319	392	485	437	430	376	384	350	288	251	303	4,343
2007	246	296	395	378	389	389	313	337	270	263	179	209	3,664
2008	200	193	204	248	215	176	197	138	131	138	141	103	2,084
2009	131	111	140	126	98	113	110	107	120	131	109	127	1,423
2010	109	121	180	133	163	140	104	121	95	119	89	122	1,496
2011	115	104	133	161	112	140	125	119	114	120	108	109	1,460
2012	136	153	179	167	180	193	174	194	143	175	176	573	2,443
2013	127	154	237	313	268	282	227	223	209	280	213	247	2,780
2014	282	273	332	397	336	331	320	274	314	306	272	306	3,743
2015	332	342	424	379	386	442	382	372	367	383	327	345	4,481
2016	426	476	552	559	483	638	464	402	501	421	372	439	5,733
2017	480	518	577	555	534	531	481	471	446	423	374	484	5,874
2018	533	465	575	574	562	580	531	524	458	471	361	388	6,022
2019	497	451	567	554	544	582	454	437	409	441	334	368	5,638
2020	505	433	333	45	335	522	622	617	645	691	577	647	5,972
2021	733	708	822	747	662	680	632	608	593	552	494	570	7,801
2022	658	634	745	733	617	538	521	514	503	464	412	449	6,788
2023	450	474	508	520	456	528	509	505	403	462	358	374	5,547
2024	382	457	520	456	427	448	419	413	329	307	300	321	4,779
2025	394	350	418	453	453	379	444	419					3,310

Oregon Real Estate Agency Education & Licensing Division
Licensee Application & Renewal 2025 Data

New Applications													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
<u>Brokers</u>	245	195	221	199	188	211	180	174					1613
<u>Principal Brokers</u>	25	25	26	10	12	17	17	23					155
<u>Property Managers</u>	27	30	35	24	34	28	22	42					242
<u>Total</u>	297	250	282	233	234	256	219	239					2010

Renewal Activity														
Brokers		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
On Time	Active	463	505	558	502	534	532	522	528					4144
	Inactive	30	30	29	23	31	28	25	30					226
Late	Active	73	50	44	57	54	50	63	61					452
	Inactive	6	11	21	7	7	12	9	8					81
Lapse		140	150	168	122	167	162	168	146					1223
Total		712	746	820	711	793	784	787	773					6126

<u>Principal Brokers</u>		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
On Time	Active	194	174	199	229	205	236	227	218					1682
	Inactive	13	8	9	9	7	10	9	10					75
Late	Active	13	9	8	9	7	6	13	11					76
	Inactive	2	2	2	3	0	1	2	1					13
Lapse		24	23	32	29	26	23	26	27					210
<u>Total</u>		246	216	250	279	245	276	277	267					2056

Oregon Real Estate Agency Education & Licensing Division
Licensee Application & Renewal 2025 Data

Property Managers		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
On Time	Active	44	34	39	30	40	33	37	44					301
	Inactive	1	1	1	2	4	1	5	2					17
Late	Active	5	1	3	0	1	0	1	0					11
	Inactive	0	0	2	0	0	1	0	1					4
Lapse		4	6	10	5	9	5	8	9					56
Total		54	42	55	37	54	40	51	56					389

Grand Total (Brokers, Principal Brokers, Property Managers)														
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Total Eligible to Renew		1012	1004	1125	1027	1092	1100	1115	1096					8571
On Time	Active	701	713	796	761	779	801	786	790					6127
	Inactive	44	39	39	34	42	39	39	42					318
Late	Active	91	60	55	66	62	56	77	72					539
	Inactive	8	13	25	10	7	14	11	10					98
Total Renewed		844	825	915	871	890	910	913	914					7082
Lapse		168	179	210	156	202	190	202	182					1489

% On Time		73.6%	74.9%	74.2%	77.4%	75.2%	76.4%	74.0%	75.9%	%	%	%	%	75.2%
% Late		9.8%	7.3%	7.1%	7.4%	6.3%	6.4%	7.9%	7.5%	%	%	%	%	7.4%
% Failed to Renew (Lapsed)		16.6%	17.8%	18.7%	15.2%	18.5%	17.3%	18.1%	16.6%	%	%	%	%	17.4%
Total		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

New Applications													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Brokers	219	204	217	176	197	181	159	171	173	156	171	164	2188
Principal Brokers	29	24	23	19	21	18	21	24	17	23	12	16	247
Property Managers	28	23	24	23	28	27	18	25	29	28	17	21	291
Total	276	251	264	218	246	226	198	220	219	207	200	201	2726

Renewal Activity														
Brokers		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
On Time	Active	519	498	533	555	584	550	534	528	554	568	445	505	6373
	Inactive	43	37	23	32	43	31	38	36	44	39	26	41	433
Late	Active	48	34	41	50	57	54	55	55	56	61	57	61	629
	Inactive	27	11	6	12	4	12	11	14	15	19	5	15	151
Lapse		144	126	140	141	135	135	141	149	139	113	127	145	1635
Total		781	706	743	790	823	782	779	782	808	800	660	767	9221

Principal Brokers		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
On Time	Active	213	235	230	223	230	242	203	214	247	221	197	202	2657
	Inactive	13	14	10	9	19	15	12	10	7	7	11	12	139
Late	Active	8	9	5	12	10	6	7	6	13	10	7	8	101
	Inactive	3	4	1	2	1	3	2	4	1	3	2	6	32
Lapse		32	26	29	14	28	23	28	23	16	23	28	27	297
Total		269	288	275	260	288	289	252	257	284	264	245	255	3226

Licensee Application & Renewal 2024 Data

Property Managers		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
On Time	Active	31	28	26	22	40	28	32	31	37	27	22	28	352
	Inactive	1	2	2	0	4	1	2	1	1	1	3	3	21
Late	Active	3	2	4	2	1	1	1	1	0	0	1	1	17
	Inactive	0	1	1	1	0	1	1	0	0	1	0	0	6
Lapse		11	10	5	10	5	13	11	10	8	11	7	6	107
Total		46	43	38	35	50	44	47	43	46	40	33	38	503

Grand Total (Brokers, Principal Brokers, Property Managers)														
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Total Eligible to Renew		1096	1037	1056	1085	1161	1115	1078	1082	1138	1104	938	1060	12950
On Time	Active	763	761	789	800	854	820	769	773	838	816	664	735	9382
	Inactive	57	53	35	41	66	47	52	47	52	47	40	56	593
Late	Active	59	45	50	64	68	61	63	62	69	71	65	70	747
	Inactive	30	16	8	15	5	16	14	18	16	23	7	21	189
Total Renewed		909	875	882	920	993	944	898	900	975	957	776	882	10911
Lapse		187	162	174	165	168	171	180	182	163	147	162	178	2039

% On Time		74.8%	78.5%	78.0%	77.5%	79.2%	77.8%	76.2%	75.8%	78.2%	78.2%	75.1%	74.6%	77.0%
% Late		8.1%	5.9%	5.5%	7.3%	6.3%	6.9%	7.1%	7.4%	7.5%	8.5%	7.7%	8.6%	7.2%
% Failed to Renew (Lapsed)		17.1%	15.6%	16.5%	15.2%	14.5%	15.3%	16.7%	16.8%	14.3%	13.3%	17.3%	16.8%	15.7%
Total		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

<u>Oregon Real Estate Agency Education & Licensing Division Phone Counts</u>													
(Minutes: seconds)	Jan – 25	Feb – 25	Mar – 25	Apr – 25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov--25	Dec-25	2025 Average
Call Count	1471	1181	1348	1273	1114	1275	1539	1255					1307
Average Wait Time	:52	:45	:58	:29	:21	:25	:28	:28					:36
Maximum Wait Time	0:13:31	0:11:02	0:13:38	0:24:10	0:09:01	0:17:45	0:10:11	0:34:53					0:16:46

<u>Oregon Real Estate Agency Education & Licensing Division Phone Counts</u>													
(Minutes: seconds)	Jan – 24	Feb – 24	Mar – 24	Apr – 24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov--24	Dec-24	2024 Average
Call Count	1588	1447	1509	1471	1415	1138	1252	1205	1232	1279	897	1213	1304
Average Wait Time	:30	:42	:45	:32	:25	:29	:27	:40	:33	:55	:55	:55	:39
Maximum Wait Time	0:09:48	0:12:50	0:11:01	0:10:00	0:13:36	0:13:28	0:20:09	0:13:37	0:10:11	0:17:29	0:16:03	0:18:31	0:13:54

<u>Oregon Real Estate Agency Education & Licensing Division Phone Counts</u>													
(Minutes: seconds)	Jan – 23	Feb – 23	Mar – 23	Apr – 23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov--23	Dec-23	2023 Average
Call Count	1642	1368	1603	1428	1438	1286	1283	1468	1382	1445	1222	1265	1403
Average Wait Time	:33	:32	:35	:28	:28	:35	:38	:29	:32	:29	:40	:30	:32
Maximum Wait Time	0:11:07	0:11:14	0:10:58	0:09:13	0:10:11	0:16:20	0:09:26	0:11:08	0:11:55	0:11:53	0:10:46	0:10:44	0:11:15

<u>Oregon Real Estate Agency Education & Licensing Division Phone Counts</u>													
(Minutes: seconds)	Jan – 22	Feb – 22	Mar – 22	Apr – 22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov--22	Dec-22	2022 Average
Call Count	1730	1520	1776	1510	1437	1444	1303	1510	1555	1444	1469	1295	1499
Average Wait Time	:33	:23	:45	:33	:35	:36	:42	:58	:50	:36	:29	:43	:39
Maximum Wait Time	0:20:37	0:12:03	0:26:17	0:13:25	0:10:53	0:11:15	0:11:13	0:31:05	0:32:16	0:13:58	0:10:52	0:11:53	0:17:09

**REAL ESTATE BOARD
ADMINISTRATIVE SERVICES DIVISION REPORT
October 6, 2025**

Business & Human Resources Services Manager: Reba Dunnington

Program Analyst: Rus Putintsev

Accountant: Caty Karayel

Section Overview

The Administrative Services Division serves as the foundation of the Agency's operations by providing comprehensive support in accounting, purchasing and contracting, inventory control, facilities, payroll, human resources, special projects, information technology (IT), and performance management.

Personnel

Effective 8/1/2025 the Agency moved into our new office space in the Department of State Lands building. Prior to bringing staff in for the first time we made sure we had the office space set up and fully functional for employees to work comfortably in. Due to our smaller footprint and limited drop in space we have a need to incorporate a desk reservation system to assist employees in effectively scheduling their in-office time. We were able to join DAS EAM in their pilot of a desk reservation process using the existing Tririga application, at no cost to the Agency. And we are currently working with them to configure the system to fit our needs.

With the new office space, we have a need to update and create our Emergency Evacuation Plan. This work is in progress and our goal is to have the emergency plan completed and communicated by the end of November. This will include an Agency wide evacuation drill and training on how to assist individuals with disabilities evacuate from upper levels of the building.

We are now fully onboarded with DASIT shared services, after the Agency decided to move away from internal IT support effective with the move on 8/1/25. While this transition faced some challenges when issues did arise they were handled with appropriate priority and responded to in a reasonable amount of time. We just have a couple of outstanding items left to be completed and we continue to have an open channel of communication with the transition team.

eLicense Replacement Project

Division staff continue to provide support to the eLicense replacement project through project coordination, configuration feedback and user acceptance testing.

Accounting Update

The division is performing an ongoing review of internal accounting policies to ensure compliance with the Oregon Accounting Manual. This project is anticipated to be completed by the end of fiscal year 2026 (June 30, 2026). As of August 2025, projected revenue for the new 2025-2027 biennium is **\$10.5 million**. Projected expenses are **\$13.9 million** and **12.5%** under the expenditure limitation granted in the Legislative Budget of **\$15.9 million**. Two million in expenditure limitation is reserved for payment of the eLicense replacement system in the 2025-2027 biennium. The anticipated ending cash balance is **\$2.02 million** and represents approximately 4 months of operating expenses.

Required Training

All Agency employees and board members are required to take 2 courses via Workday. DAS CHRO Discrimination and Harassment training and DAS EIS Information Security Foundations. Both courses are assigned in Workday, please log into you accounts at your earliest convenience to complete both of these trainings before December 31, 2025.

2025-2027 Budget - Biennium to Date Through June 30th 2027

Budget Codes		<u>25-2027 LAB</u>	<u>Expected Total Expenditures for Biennium (current)</u>	<u>Expected Remaining Limitation at end of Biennium</u>	Percentage
	Total Personal Services	9,456,141	9,360,904	95,237	1.01%
4100 & 4125	In-State Travel & Out-of-StateTravel	63,650	37,878	25,772	40.49%
4150	Employee Training	41,895	34,200	7,695	18.37%
4175	Office Expenses	61,467	16,936	44,531	72.45%
4200	Telecom/Tech Services & Support	73,181	76,563	(3,382)	-4.62%
4225	State Government Services	867,289	1,025,092	(157,803)	-18.19%
4250	Data Processing	123,774	28,943	94,831	76.62%
4275	Publicity & Publications	17,301	537	16,764	96.90%
4300 & 4315	Professional Services & IT Professional Services	309,421	468,063	(158,642)	-51.27%
4325	Attorney General Legal Fees	495,602	324,607	170,995	34.50%
4375	Employee Recruitment	8,774	0	8,774	100.00%
4400	Dues & Subscriptions	10,843	7,290	3,553	32.77%
4425	Facilities Rent & Taxes	288,334	171,959	116,375	40.36%
4475	Facilities Maintenance	5,117	5,000	117	2.29%
4575	Agency Program Related S&S	1,864,786	983,314	881,472	47.27%
4650	Other Services & Supplies	5,524	182,803	(177,279)	-3209.25%
4700	Expendable Property \$250-\$5000	33,008	22,264	10,744	32.55%
4715	IT Expendable Property	115,931	58,680	57,251	49.38%
	Total Services & Supplies	4,385,897	3,444,128	941,769	21.47%
5550	Data Processing Software	2,084,000	2,084,000	0	0.00%
	Total Capital Outlay	2,084,000	2,084,000	0	0.00%
	Totals	15,926,038	14,889,032	1,037,006	6.51%

**REAL ESTATE BOARD
COMMUNICATIONS/DEI REPORT
October 6, 2025**

Communications, Policy, and DEI Director: Mesheal Tracy

Section Overview

This section is responsible for developing and implementing agency-wide Diversity, Equity, Inclusion, and Belonging (DEIB) initiatives, managing external communications, and leading change management processes. It encompasses media relations, community engagement, policy development, and strategic planning to foster an inclusive culture and effectively communicate the agency's mission and programs to diverse stakeholders. Our work directly supports Objective 2 of the Agency's strategic plan: Reduce Barriers to Licensure & Increase Public Engagement through DEI Initiatives.

DEI Initiatives

In October, I will attend the LGBTQ+ Real Estate Alliance board member installation in support of the diverse professional networks within the real estate industry.

Additionally, I will participate virtually in the Governor's Annual Tribal State Government-to-Government Summit. I will be looking for insights into tribal relations and government collaboration that can help inform our approach to inclusive stakeholder engagement.

Communication Strategy

We have advanced our communication timeline for House Bills 2373 and 3137, both effective January 1, 2026. HB 2373 establishes a timeshare sales agent license, while HB 3137 resulted in the most significant changes to real estate license law in the last 7 years.

We have developed and finalized a communication plan to guide implementation of the bills. The plan includes targeted outreach to pre-license and continuing education providers, current licensees, and potential licensees, along with strategic website updates to reflect the new licensing requirements.

Our September Oregon Real Estate News-Journal featured an overview of both HB 2373 and 3137, along with a comprehensive roundup of other real estate and landlord-tenant legislation. This publication serves as our key communication vehicle to keep licensees informed of regulatory changes.

To support continuing education providers, we have added information to our website about the new Fair Housing course requirements, enabling providers to begin preparing to offer this training to licensees.

Website and Technology Update

We are preparing for the scheduled migration of our website from SharePoint 2016 to SharePoint SE. I am happy to report that the anticipated website freeze will not be needed. The statewide website vendor will be able to integrate any changes made in the current platform during the migration, so there will be no disruption in updating the website as needed in preparation for implementation of the new legislation.