

## Overview

### Principal Broker Advanced Practices Course: 26 hours

Oregon House Bill 3137 removed the Fair Housing component from the Advanced Practices courses and reduced the total required hours from 27 to 26, **effective January 1, 2026**. Under Oregon Administrative Rule (OAR) 863-022-0045(2)(d), all providers offering Advanced Practices must submit revised course material for Agency approval. Required submissions include the course curriculum, study materials and handouts, topic checklist, instructor materials (if any), final examination with answer key, and a continuing education instructor form for each instructor who will teach the course.

The 26-hour advanced practices course must include 26 clock-hours with at least one hour on each of the following topics and a 60-item final examination:

1. Brokerage Practices, 7 exam questions
2. Supervision and Managing Real Estate Licensees, 9 exam questions
3. Clients' Trust Accounts, 10 exam questions
4. Records and Maintenance, 6 exam questions
5. Property Management, 8 exam questions
6. Advertising, 8 exam questions
7. Affirmative Duties of Agent & Agency Relationships, 6 exam questions
8. Professional Real Estate Activity, 6 exam questions

# **Principal Broker Advanced Practices**

## **Course Requirements and Learning Objectives**

Final Examination: 60 questions. Student must receive a passing score of at least 75% on a final examination.

### Course Requirements

The 26-hour property manager advanced practices course must include 26 clock-hours allocated among the topics and learning objectives described below:

#### **1. Brokerage Practices**

Learning Objectives. *After completing this section, the student will be able to:*

- Define “Managing Principal Broker” under HB 3137 Section 2(a).
- Define “Authorized principal broker” under OAR 863-014-0003.
- Describe business entities, have definitional understanding, and recognize the implications of the various forms of business structures including, Assumed Business Name (DBA), Limited Liability Company, Sole Proprietorships, General Partnerships, Corporations, etc. (ORS Chapter 648, Chapter 58, Chapter 60, Chapter 62, Chapter 63, Chapter 65, Chapter 67, Chapter 70, Chapter 128, Chapter 554 and Chapter 647)
- Describe the business registration requirements of the Oregon Secretary of State, which are separate from the Agency’s registration requirements.
- Identify who may register a business name and may submit a registered business name renewal under OAR 863-014-0095 and 863-014-0097.
- Explain the responsibilities for the Registered Business Name’s registration, maintenance, and renewal using the eLicense system. (ORS 696.026 and 696.200, OAR 863-014-0095 and OAR 863-014-0097)
- Identify the requirements when adding an affiliate or subsidiary organization, as described in OAR 863-014-0061.
- Explain principles of business planning and budgeting.
- Describe the legal requirements for main real estate offices and branch offices. (ORS 696.200, OAR 863-014-0095 and OAR 863-014-0100)
- Identify the requirements when authorizing another managing principal broker or broker to temporarily control and supervise the professional real estate activity of the registered business name under OAR 863-014-0085 and 863-014-0090.
- Identify the steps and recall the records maintenance requirements when closing a Registered Business Name in eLicense. (ORS 696.026 and OAR 863-014-0095)

#### **2. Supervision and Managing Real Estate Licensees**

Learning Objectives. *After completing this section, the student will be able to:*

- Explain when a written supervisory agreement and succession plan is required under HB 3137 section 21a and ORS 696.310.

- Describe the managing principal broker's supervision responsibilities under OAR 863-015-0140 and HB 3137 Section 20.
- Describe the supervision requirements for a real estate team under HB 3137 section 13, OAR 863-015-0140 and 863-015-0142.
- Describe the disclosure requirements of a real estate team under HB 3137 section 13 and OAR 863-015-0143.
- Define "Receiving authorized principal broker," and "Sending authorized principal broker," as defined in OAR 863-014-0003.
- Recall how to add/remove a licensee through the authorized principal brokers eLicense account under OAR 863-014-0063.
  - Recall that the authorized principal broker remains responsible for the licensees professional real estate activity until the licensee is inactivated from the registered business name.
- Recall that following a license transfer, a licensee may continue to engage in professional real estate activity on transactions that began while associated with the sending authorized principal broker when certain supervision, disclosure and records requirements are met under 863-014-0063.
- Explain when commissions can be received and who compensation can be shared with under HB 3137 section 17, ORS 696.290, and OAR 863-015-0145.
- Describe the difference between employees and independent contractors. Reference ORS 696.363.
- Explain the requirement for utilizing eLicense for license transfers, inactivation, and reactivations under OAR 863-014-0063 and OAR 863-014-0065.
- Explain the responsibility of all real estate licensees to notify the Agency of changes to their personal email and mailing address under OAR 863-014-0062.
- Describe impact of disciplinary action on licensees. Reference ORS 696.301.
- Recall the grounds for discipline for failing to exercise reasonable supervision and control over the real estate activities of associated real estate licenses under HB 3137 section 18.
- Identify what are considered "complete and adequate" records as described in OAR 863-015-0025.
- Identify when a licensee must submit records to licensees authorized principal broker under OAR 863-015-0250.
- Recall that an authorized principal broker may handle the closing of a real estate transaction under OAR 863-015-0150.

### **3. Clients' Trust Accounts**

Learning Objectives. *After completing this section, the student will be able to:*

- Explain when a client's trust account is required for a real estate transaction under ORS 696.241 and OAR 863-015-0255.
- Explain when a client's trust account is required for property management under ORS 696.241 and OAR 863-025-0025.
- Identify the different requirements when maintaining trust funds for real estate transactions and for property management activities under OAR 863-015-0255, OAR 863-025-0025, and ORS 696.241.

- Explain the Commissioner is authorized to obtain information concerning the clients' trust account upon request under ORS 696.245, ORS 696.280, ORS 696.990(6), OAR 863-025-0090, 863-015-0260, 863-015-0275, 863-025-0027 and 863-025-0035.
- Describe how to report a new clients' trust account or close an old clients' trust account in eLicense. Reference ORS 696.245, OAR 863-025-0025 and OAR 863-015-0255.
- Describe the requirement to have the "Notice of Clients' Trust Account & Authorization to Examine" form signed by a bank representative and to electronically upload the completed document in eLicense for each new clients' trust account as required under ORS 696.245 and OAR 863-025-0025.
- Explain how to properly label clients' trust accounts on all bank records and checks per OAR 863-025-0010, 863-025-0025 and 863-015-0255.
- Identify the client trust account record retention requirements as described in OAR 863-015-0255 and OAR 863-025-0035.
- Describe the receipt and depositing requirements for funds and other consideration received under OAR 863-015-0257.
- Recall that trust funds may be placed in an interest-bearing account if certain conditions are met under OAR 863-015-0265 and 863-025-0035.
- Identify the required components, entries and record keeping for the receipt and disbursement of all escrow funds, complete ledgers, and transfer of all promissory notes under OAR 863-015-0259.
- Perform a compliant 3-way reconciliation for a real estate trust account.
- Describe the process an authorized principal broker may use to disburse disputed escrow funds under ORS 696.241 and OAR 863-015-0186.
- Describe the required components for a record of receipts & disbursements, individual owner and tenant ledger accounts, and cash receipts under OAR 863-025-0040, 863-025-0050, 863-025-0055, and 863-025-0060.
- Identify the monthly reconciliation requirement for a client's trust account, including that the reconciliation must have three components that are contained in a single reconciliation document, and the totals of all three parts must be as of the ending bank statement date under OAR 863-025-0025.
- Identify the monthly reconciliation requirement for a security deposit account, including that the reconciliation must have three components that are contained in a single reconciliation document, and the totals of all three parts must be as of the ending bank statement date under OAR 863-025-0025.
- Recognize that the balances for each component must be equal to and reconcile with each other. If any adjustment is needed, the adjustment must be clearly identified and explained on the reconciliation document under OAR 863-025-0025.
- Identify the required documents to complete each component of the monthly reconciliation under OAR 863-025-0028, including:
  - The bank statement and report identifying outstanding transactions is used to determine the reconciled bank statement balance or Part I.
  - The record of receipts and disbursements or check register as of the ending bank statement date is used to establish the balance of Part II.
  - The report identifying the sum of all positive owner ledgers or individual tenant ledgers as of the ending bank statement date is used to identify the balance of Part III.

- Perform a three-way reconciliation for a clients' trust account under OAR 863-025-0025.
- Perform a three-way reconciliation for a security deposits account under OAR 863-025-0025.
- Identify which funds may be maintained in a CTA and which funds may not (commingling) under ORS 696.241, OAR 863-015-0255, and OAR 863-025-0025.
- Explain the difference between a business operating account, real estate trust account, a clients' trust account, and a security deposits account.
- Explain what duties may be delegated to other individuals and the requirements in order to do so under ORS 863-025-0015.

#### **4. Records and Maintenance**

Learning Objectives. *After completing this section, the student will be able to:*

- Describe the records and maintenance (including storage and production requirements) that is required under law and rule for real estate transactions, property management, and continuing education. Reference ORS 696.280, OAR 863-015-0250, 863-015-0260, 863-025-0035, 863-020-0015 and 863-020-0055.
- Describe under what conditions electronic storage of records is allowed under OAR 863-015-0260.
- Explain the required timeframe for the submission of records to the authorized principal broker and their review of the documents under OAR 863-015-0140 and OAR 863-015-0250.

#### **5. Property Management**

Learning Objectives. *After completing this section, the student will be able to:*

- Describe when a property management agreement is required under OAR 863-025-0020.
- Describe the required elements that must be in a property management agreement under OAR 863-025-0020.
- Define the term “identifying code” in OAR 863-025-0010 and describe when the identifying code must be used under OAR 863-025-0020 and 863-025-0065.
- Describe when a property manager must disclose, in writing, to a property owner that the property manager plans to use the property manager’s employees or plans to use a business in which a property manager has a pecuniary interest to provide services to the property owner under OAR 863-025-0020.
- Describe who may sign a property management agreement on behalf of the property manager under OAR 863-025-0020.
- Describe when a property management agreement must be amended, how to amend an agreement and what must be included in an amendment under OAR 863-025-0020.
- Describe the steps a property manager must follow when a property management agreement is terminated under OAR 863-025-0070 and describe the time limitations for each step.
- Describe the laws relating to the rights and duties of tenants and landlords and apply the law to a real estate licensee engaging in the management of rental real estate. Reference Oregon Residential Landlord and Tenant Act under ORS Chapter 90.

## **6. Advertising**

Learning Objectives. *After completing this section, the student will be able to:*

- Explain what is considered advertising and advertisement under OAR 863-015-0125.
- Describe the required elements of all advertising as described in OAR 863-015-0125.
- Define “Real estate team” as defined in HB 3137 section 13.
- Describe the advertising requirement for a real estate team under OAR 863-015-0125.
- Describe the requirements for advertising in electronic media including social media under OAR 863-015-0125. (“One-click rule.”).
- Explain the “owner written permission” requirement for advertising under OAR 863-015-0125.
- Describe how non-licensed employees can be included in advertising under OAR 863-015-0125.
- Recall that you may register an alternative name with the Agency under OAR 863-014-0067.
- Recall the advertising requirements if using a registered alternative name under OAR 863-015-0125.

## **7. Affirmative Duties of Agent & Agency Relationships**

Learning Objectives. After completing this section, the student will be able to:

- Explain the requirement of disclosing material facts under ORS 696.805-696.815.
- Describe the types of agency relationships and requirements for each, including when two licensees under the same team represent different parties as described in OAR 863-015-0200 and OAR 863-015-0205.
- Prepare a disclosed limited agency agreement when you, as the authorized principal broker, are a disclosed limited agent for two licensees under your supervision, in accordance with OAR 863-015-0210.
- Describe the affirmative duties a broker, principal broker and property manager owes to buyers, sellers, both, and/or property owners under ORS 696.805- 696.815, 696.890 and OAR 863-015-0200.

## **8. Professional Real Estate Activity**

Learning Objectives. After completing this section, the student will be able to:

- Identify the type of real estate activity a licensee may conduct as a principal broker, broker, property manager, and timeshare sales agent under ORS 696.022.
- Recall that a licensee may engage in Residential Property Wholesaling under Oregon Laws 2024, chapter 3, section 2.
- Identify the disclosure requirements if licensee engages in Residential Property Wholesaling under Oregon Laws 2024, chapter 3, section 5 and OAR 863-017-0025.
- Explain how to handle offers, counter offers and multiple offers. Reference ORS 696.805, 696.810 and OAR 863-015-0135.
- Describe the required components for listing agreements under OAR 863-015-0130.

- Describe the required components for a buyers agreement under OAR 863-015-0133.
- Describe the required components for offers to purchase under OAR 863-015-0135.
- Explain the requirements for a transaction involving licensee as a principal to the transaction under OAR 863-015-0145.
- Describe the disclosure requirements of a real estate team under OAR 863-015-0143.