

NONSUFFICIENT PAYMENT OF LICENSE FEES OR OTHER CHARGES

This policy sets forth the action IREC will take if it receives nonsufficient payment of a fee, fine, or any other charge. “Nonsufficient payment” is a check or credit card payment made to IREC but then returned, declined, or otherwise dishonored by the bank or credit card company.

A. NONSUFFICIENT PAYMENT OF LICENSE APPLICATION FEES.

When an applicant submits nonsufficient payment of a license application fee, whether for a new or renewing license, IREC will terminate or expire the license, as authorized by Idaho Code 54-2019.¹

- 1. License Termination/Expiration.** If payment was for an INITIAL license, the license will be terminated, effective as of the license issuance date. If payment was to RENEW a license, the license shall be expired, effective as of the license expiration date.
- 2. No Grace Period.** IREC does not provide a grace period within which an applicant may tender replacement funds for the dishonored payment.
- 3. No Attempt to Collect License Fee.** Because IREC elects to terminate or expire the license for nonsufficient payment, IREC will *not* demand or otherwise attempt to collect the license fee.
- 4. Notice of License Termination/ Expiration for Nonsufficient Payment.** When IREC terminates or expires a license for nonsufficient payment of the license application fee, IREC will send the applicant a “Notice of License Termination/ Expiration for Nonsufficient Payment” in substantially the same form as Attachment A. The Notice letter will advise the applicant that the license has been terminated or expired for nonsufficient payment and state the date of the termination/expiration. The Notice letter will advise the applicant of the prohibition against practicing real estate without a current license. The letter will also describe the process require to obtain/renew the license (as applicable). Finally, the letter will state that if the reason for the nonpayment was the

¹ Idaho Code 54-2019 authorizes IREC to terminate or expire the license of an applicant who pays the license fee with an NSF check, or who employs “misstatement or omission” in applying for the license. Paying the application fee with nonsufficient payment constitutes employment of a misstatement or omission.

fault of the bank or credit card company, and IREC receives written proof of such fault, IREC will reinstate the license without penalty.

- 5. Mailing of Notice.** The Notice of License Termination/Expiration will be sent by regular mail to applicant/licensee at the address listed on the application. A copy will be mailed to the designated broker (if named in the license application), and, if a person other than the licensee wrote the dishonored check or other was submitted the nonsufficient payment, to that person.
- 6. Exception where Nonsufficient Payment is Discovered Later Than 60 Days After License Issued.** Notwithstanding the foregoing provisions, in the event the nonsufficient payment is discovered later than 60 days after the license is issued, the Executive Director may, in her sole discretion, elect to not terminate the license and instead to inactivate the license and attempt to collect the debt, in accordance with the provisions in Section B below.

B. NONSUFFICIENT PAYMENT OF OTHER FEES, FINES AND CHARGES.

When nonsufficient payment is made to IREC, other than for payment of a license application fee, IREC will attempt to collect payment in accordance with IREC's "Policy for Collecting Funds Owed to the Idaho Real Estate Commission" and IREC's "NSF Check Policy." In particular,

1. For a check returned as dishonored by the bank, and where IREC has posted notice of its \$20 collection fee at the point of sale, the \$20 fee will be added to the check amount to be collected, without need of a Notice of Dishonor letter. (See NSF Check Policy.) IREC does not provide a grace period within which a payor/debtor may tender replacement funds and avoid the set collection fee.
2. IREC will send written notice to the debtor advising of the existence of the debt and that IREC is attempting to collect it, in accordance with the IREC's policy for collecting funds. IREC will maintain a record of all attempts to notify the debtor of the existence of the debt.

ATTACHMENT A - NOTICE OF LICENSE TERMINATION/EXPIRATION FOR NONSUFFICIENT PAYMENT

Date

Name of License Applicant

Address provided on Application

Re: Notice of Nonsufficient Payment and Termination/Expiration of License

Dear (Name of License Applicant):

The *check submitted to the Idaho Real Estate Commission (IREC) as payment of the application fee to **obtain/renew** your Idaho real estate license has been dishonored by the bank. Consequently, **your license has been terminated/expired**, effective [the date issued/expiration date], in accordance with the Commission's policy on Nonsufficient Payment of License Fees and Idaho Code 54-2019.

It is unlawful for you to practice real estate in Idaho without an active license. See Idaho Code 54-2002.

[If nonpayment was for an **initial** license:] To obtain a real estate license, you must complete and submit a new license application along with payment of the license application fee.

[If nonpayment was **to renew existing license**:] To renew your expired license, you must complete and submit a renewal application along with payment of the renewal. Additionally, you must comply with the conditions to renew an expired license, including payment of the late renewal fee, as set forth in Commission Rule 105, IDAPA.

If the reason for the nonpayment was the fault of the bank or credit card company, and the Commission receives written proof of such fault, IREC will reinstate the license without penalty.

Questions regarding this notice, please contact me immediately at (208) _____.

Sincerely,

Chief Investigator

Enc: Copy of Transaction information

Copy to: Education and Licensing Director

**[Note: this Form letter is also appropriate for nonsufficient payment of license fee via credit card payment that is declined, charged back, or otherwise dishonored by the credit card company. The language may be adapted accordingly].*