



Idaho Real Estate License Manual

Policies, Procedures & Explanations

**This Real Estate License Manual
booklet is intended solely as a reference and should
not be used as a substitute for the Idaho Code and
Idaho Administrative Rules.**

Effective June 2009

Idaho Real Estate Commission

TABLE OF CONTENTS

INTRODUCTION	3
The Role of the Idaho Real Estate Commission	3
The Role of the Idaho Real Estate Education Council	3
LICENSING INFORMATION	4
Real Estate Salesperson & Broker Prelicensing Requirements.....	4
1. Age Requirement	4
2. Criminal Offenses & License Discipline	4
3. Actively Licensed in Another State?	5
4. Residency	5
5. Legal Presence in the United States.....	5
6. Education	5
7. Experience (broker only).....	6
8. Fingerprinting	6
9. License Exam	7
10. Type of License & Status	7
11. Errors & Omissions Insurance	8
12. Apply for License.....	8
13. Penalty for Acting As A Broker or Salesperson Without A License.....	8
14. Opening a Brokerage.....	8
Sole Proprietorship	9
Business Entity	9
Corporation	9
Limited Liability Company.....	9
Partnership.....	9
Limited Liability Partnership.....	9
Limited Partnership.....	9
15. Branch Office Licensing Requirements.....	10
16. Special Consideration	10
MAINTAINING YOUR LICENSE	10
17. Errors and Omissions Insurance.....	10
18. Renewing A License.....	10
19. Continuing Education	11
What is the CE requirement?	11
20. Expiration & Termination of License.....	11
21. Making Changes to Your License or Record.....	12
22. On-Line Services.....	12
23. Licensing Steps-Summary	12

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INTRODUCTION

The Role of the Idaho Real Estate Commission

The Idaho Real Estate Commission is charged with the responsibility to examine and license real estate licensees, establish educational requirements for continued licensure, enforce the license laws and take disciplinary action where mandated, and protect the public. The Commission is headed by four members appointed by the Governor from four different geographical areas of the state—Northern, Southeastern, Southwestern and Southcentral. The Commission members hire an Executive Director to carry out the responsibilities of the Commission on a daily basis. An administrative staff carries out the day-to-day duties of the Commission.

The duties of the Commission members are defined as follows:

1. Administer and enforce the License Law, promulgate rules to clarify the intent of law, and review and propose new legislation as necessary.
2. Review and approve the annual fiscal budget request, management budget and monthly financial reports.
3. Determine license fees.
4. Maintain Recovery Fund.
5. Determine applicant requests for special consideration and felony exemptions.
6. Hear disciplinary actions and issue final orders.
7. Work with the Education Council on prelicense, license exam and continuing education matters.
8. Represent the public and licensees in their respective districts.

The Role of the Idaho Real Estate Education Council

The Idaho Real Estate Education Council is charged by the Commission with the responsibility of planning, coordinating, and directing a viable education program for all licensees in the state of Idaho. This responsibility includes the content of required education for initial licensure and continuing education for license renewal at the sales associate and broker levels, and coordination of education programs for specialized development within the industry.

Six voting members comprise the Council. An administrative staff carries out the day-to-day work load of the Council. This staff is administratively aligned with and functions as a part of the Commission. The following functions are reflective of the Council's activities:

1. Technical direction in regard to the development of standards of certification for education programs.
2. Technical direction in regard to research, development and/or revision, and publication of education courses or materials.
3. Coordination, cooperation, and visitations with colleges, universities, private institutions, etc., for conducting real estate oriented courses and the auditing of such.
4. Technical direction in regard to the instructor development training programs.
5. Technical direction concerning the development of standardized course outlines, instructor guidelines, training aids, etc.
6. In accordance with Commission policy, to grant deny a license/certification applicant's request concerning the following:

- a. Course equivalency with Idaho prelicense or continuing education requirements;
 - b. Waivers or modifications of prelicense education requirements; and
 - c. Certification of courses, instructors, and course providers.
7. To grant or deny requests to extend the period of time for the Commission to accept license exam results or courses completed to satisfy licensing or certification requirements.

LICENSING INFORMATION

Real Estate Salesperson & Broker Prelicensing Requirements

1. Age Requirement

You must be at least 18 years of age at the time of application for a license.

2. Criminal Offenses & License Discipline

Felony Convictions: You must not have ever been convicted of a felony in any state or federal court. “Convicted” means a plea of nolo contendere, a jury verdict of guilty, or a court decision of guilt, whether or not a judgment or sentence has been imposed, withheld, or suspended. However, if at least 5 years has passed since you completed any period of probation, confinement, or parole, you may request an “exemption review” to allow the Commission to determine your current suitability for licensure. You should request an exemption review prior to completing the other licensing requirements. Requests must be in writing. No particular request form is required other than the submission of fingerprints and fee to allow for a national criminal history background check. Because a background check can take several weeks to complete, applicants requesting a review are encouraged to submit fingerprints early.

The exemption review shall consist of a review of any documents relating to the offense, and any supplemental information provided by the applicant. The Commission may grant, at its discretion, an interview of the applicant.

During the review, the Commission shall consider the following factors or evidence:

- The severity or nature of the felony;
- The period of time that has passed since the felony under review;
- The number or pattern of felonies or other similar incidents;
- The circumstances surrounding the crime that would help determine the risk of repetition;
- The relationship of the crime to the licensed practice of real estate;
- The applicant’s activities since the crime under review, such as employment; education, participation in treatment, payment of restitution, or any other factors which may be evidence of current rehabilitation.

Misdemeanor Convictions: You must not have been convicted of a misdemeanor involving fraud, misrepresentation, or dishonest or dishonorable dealing within the 5 years immediately prior to your license application date.

Disciplinary Actions: You must not have had a real estate or other professional or occupational license revoked, suspended, or surrendered, or the renewal refused for a disciplinary action involving fraud, misrepresentation, or dishonest or dishonorable dealing, in Idaho or any other jurisdiction, within the past 5 years.

3. Actively Licensed in Another State?

If you currently hold an active license in another state you need not complete the prelicense real estate education or take the National portion of the license exam. You must request a certified license history from the state real estate licensing department in which you are actively licensed. This certified license history should be sent directly to you. Once you receive the original certified license history, forward it to the Idaho Real Estate Commission along with a written request for a waiver of the National portion of the licensing exam. There is a waiver request form on IREC's website at www.irec.idaho.gov. Certified license histories are valid for IREC use for six (6) months from date of issue.

4. Residency

There is no requirement that Idaho licensees reside within Idaho.

5. Legal Presence in the U.S.

An Idaho real estate license may only be issued to an applicant who attests, under penalty of perjury, that he/she is legally present in the United States. In addition, an applicant must provide one of the following documents at the time of initial application for an Idaho real estate license: (1) Idaho driver's license or identification card; (2) valid driver's license or identification document issued by another state or U.S. territory, so long as the document contains a photo of the individual or other personal identifying information; (3) U.S. military card or military dependent's ID card; (4) U.S. coast guard merchant mariner card; (5) Native American tribal document; or (6) valid U.S. passport.

6. Education

Provide proof of your high school graduation, high school equivalency certificate, or GED, plus completion of pre-license real estate education courses within 3 years prior to making application for licensure. (Prelicense courses completed prior to July 1, 2008 are valid for 5 years. Prelicense courses completed after June 30, 2008 are valid for 3 years.) Course schedules and descriptions for approved Idaho courses are found at www.irec.idaho.gov. Students should be aware that scheduled courses may be canceled for insufficient enrollment. To count toward licensure, a minimum score of 70% must be obtained by the student on the final exam for each course. Only 1 retake is allowed within 1 month of original exam. Attendance at all sessions of a prelicense course is required. Neither auditing a course nor challenging a course by exam is acceptable for prelicense course credit.

Salesperson: complete the 45-hour Salesperson Module 1 course and the 45-hour Salesperson Module 2 course.

Broker: complete the courses required for a salesperson's license, plus at least four (4) courses of advanced real estate study to include: Brokerage Management; Real Estate Law; and two (2) elective courses consisting of at least 20 class hours each. Approved elective courses include:

Idaho GRI 101/102 and 201/202, Real Estate Finance, Valuation & Analysis, and certain CCIM designation courses.

To become a designated broker, provide proof of successful completion of Idaho's Brokerage Management or Business Conduct and Office Operations (BCOO) course within the 3 years prior to applying for a designated broker's license.

If the applicant holds a law or accounting degree or an appraiser license, some pre-license requirements may be waived. Please see the Education and Certification Policy at http://www.irec.idaho.gov/publics/certification_policy.pdf for more information.

Completed pre-license education requirements for another state's license?

If you have completed another state's real estate prelicense courses, you can request that the Commission consider substituting those courses for Idaho's requirements. To make a request, submit documentation to the Commission of all real estate related education which you have completed, such as an education history from your state's real estate licensing department, transcripts from the schools in which the courses were completed, or copies of course completion certificates along with course descriptions. The education will be evaluated for transferability purposes and you will be notified of any education deficiencies.

7. Experience (*broker only*)

You must provide proof of 2 years active, full time active real estate experience in any state within the last 5 years. In deciding whether to consider your experience as sufficient to qualify as "active experience" we are looking for, among other factors, at least 30 hours per week doing real estate business, during at least 100 weeks of a 24-month period, with approximately 15-20 closed sales and/or listings resulting in over \$2 million in total sales volume.

If you already hold an active broker's license in another state, you are not required to furnish verification of the experience requirements.

8. Fingerprinting

Idaho Code Sections 54-2012 (h) and 54-2012 (iv)(c) require that an applicant for a new salesperson or broker license submit fingerprints and receive fingerprint clearance from the Commission office prior to applying for licensure.

A notice of your fingerprint approval will be mailed to the address provided at the time you submit your fingerprints. An applicant may also obtain fingerprint results by registering a user name and password and logging in to the Commission's website at www.irec.idaho.gov. **No results will be given over the phone.**

Outlined below are the primary steps to fulfill the fingerprint requirement.

1. Contact Pearson Vue at www.pearsonvue.com to reserve a time to be fingerprinted and pay related fees.
2. Pay for fingerprinting and background check services by credit or debit card to Pearson Vue in the same way as the exam reservation process.
3. Have fingerprints scanned electronically at a Pearson Vue testing center.
4. If fingerprints are rejected as unreadable twice, Idaho State Police will perform a national name check screening. This screening will take an additional three to six (3-6) weeks.
5. Fingerprints are valid for six (6) months from the date of the Commission's notice of fingerprint approval. No extensions will be given.

6. The Commission may request additional information based on the results of your background check. (See Criminal Offenses and License Discipline on page 4.).

Below are three guidelines given to the Commission by the Idaho State Police which will help you in submitting clear, readable fingerprints.

1. Be sure your hands are clean when you have your fingerprints taken. Oil or grease on the fingertip will prevent a clean, readable print from being taken.
2. If it is not possible for you to submit a better fingerprint because of injury to a fingertip ask the official taking the fingerprints to note this on your record.
3. You will be asked to provide any other names you may have used in the past. Be sure to include complete name information, including maiden names.

9. License Exam

Exam information is available from the Commission's exam provider, Pearson Vue, at www.pearsonvue.com.

To register for the exam, candidates may do one of the following at least 4 days prior to the intended exam date:

- call the Pearson Vue Customer Care center at (877) 540-5833
- fax an exam registration form to Pearson Vue at (888) 204-6291
- register on the Pearson Vue website at <http://www.pearsonvue.com>

All candidates will be given a confirmation number.

Exam fees must be paid at the time of reservation by credit card, debit card, voucher or electronic check. Payment will not be accepted at the test center.

Advise Pearson Vue of any individuals with disabilities needing accommodations.

Exam Score Results & Deadlines: Immediately following the exam, you will receive your score results. The license exam consists of 2 parts. Part 1 is general in scope (the National exam); and Part 2 is specific to Idaho real estate laws and rules (the Idaho exam). You must achieve a passing score on each part of the exam within one year of applying for your license.

For example: if you passed one part of the exam (either National or Idaho) on January 11, and then passed the other part on August 1, you would have one year from January 11, to apply for your license.

Failure to Report: Failure to report for the exam on the date scheduled will result in the forfeiture of the exam application fee.

Already have an "Active" Out-of-State License? If you hold an active license in good standing in another state, you may request a waiver of the National portion of the exam by: 1) ordering an official certification of licensure (license history) from your current licensing agency sent to you; and 2) submitting a written waiver request together with the certified license history letter to the Commission, which must include your return address and telephone number. A requested form can be down loaded at www.irec.idaho.gov/ree047.pdf.

If approved, a "Certificate of Waiver" will be issued to you and must be presented at the testing site the day of your exam.

Suggested reading to prepare for the Idaho licensing exam:

- *Idaho Real Estate License Law & Rules*, Idaho Real Estate Commission
- *Modern Real Estate Practice*, Dearborn Real Estate Education
- *Guide to Passing the Promissor Real Estate Exam*, Dearborn Real Estate Education

10. Types of License & Status

Below are the ways in which you may be licensed in Idaho:

Active Status

Designated Broker: Must have a physical location to use as a principal place of business for the real estate license.

Associate Broker: Must license with an active Idaho designated broker.

Salesperson: Must license with an active Idaho designated broker.

Inactive Status

Licensed with a current unsuspended or unrevoked license which is held on inactive status by the Commission.

11. Errors & Omissions (E&O) Insurance

New applicants, renewal applicants, and licensed “entities” (i.e., corporations, LLCs, partnerships) for active real estate licensure must each certify that they have obtained E&O insurance to cover all licensed activities, and they must maintain E&O insurance as a condition for active licensure.

Failure to continuously maintain insurance may result in the inactivation of the license and will also result in disciplinary action, up to suspension or revocation of the license and/or imposition of a fine.

Applicants may purchase E&O insurance in one of the following ways: (1) complete and submit a group policy application along with the correct premium amount to the group policy carrier; OR (2) Purchase E&O insurance through an independent carrier and obtain a completed “Certification of Coverage” signed by the insurance agent. More information about the group policy and application information is available at www.risceo.com. Please note: If you have E&O insurance through your brokerage, your coverage ends when you leave that company. It is your responsibility to make sure you have continuous E&O coverage if you change brokerages.

12. Apply for License

Submit to the Commission office a completed “Real Estate License Application” with all attachments and fees. Forms that are incomplete, illegible, or not accompanied by the proper attachments will be returned to the applicant. Licenses are effective on the date the forms, fees and attachments are approved by the Commission.

Applications are processed in the order they are received. Updates on the status of a license application will not be given over the phone. When all paperwork has been processed and the license is approved, the licensee will receive written notification by U.S. mail. Applicants are also encouraged to check the Licensee Search section of the IREC website at www.irec.idaho.gov. When the licensee’s name and license number appears on the website, it means the license has been approved.

License certificates are optional. If you want a paper license certificate, you may print one online at no charge, or you may request that the Commission print and mail you a certificate at the cost of \$15 each.

All checks written to the Real Estate Commission which are returned by the bank as unpayable for any reason which is not the fault of the bank shall result in a charge of \$20 per check in addition to the amount owed to the Commission. The payment to replace the bad check shall be in cash, money order or other good funds acceptable to the Commission. Unpaid checks will be turned over to a collection agency. Because of costs associated with the issuing of refunds, it is the policy of the Commission to refund overpayments of under \$25 only if requested in writing within 30 days of IREC receipt of the overpayment. Overpayments of \$25 or more will be automatically refunded.

13. Penalty for Acting As A Broker or Salesperson Without A License

Acting as a broker or salesperson without a license is a crime punishable with a maximum fine of \$5,000 or up to one-year imprisonment. A business entity may be fined up to \$10,000. The Commission also has regulatory authority to impose administrative fines for unlicensed real estate activity.

14. Opening a Brokerage

The following minimum items are required to open a brokerage:

1. A properly completed license application or “Notice of Real Estate License Change” form, whichever is applicable, together with any related fees, for the individual who has been appointed as the designated responsible broker;

2. A completed Trust Account Notification form;
3. If applicable, a copy of the filed stamped certificate of assumed business name from the Idaho Secretary of State (the Commission may refuse to issue a license if an assumed business name is similar to another real estate firm and may easily confuse the general public);
4. Proof of the Designated Broker's successful completion of Idaho's Business Conduct and Office Operations (BCOO) course within the 3 years prior to applying for a broker's license. **Plus** all requirements for your chosen business type below:

Sole Proprietorship

Submit a completed application. No separate E&O required.

Business Entity

Corporation, Limited Liability Company, Partnership, Limited Liability Partnership, Limited Partnership, or any entity legally capable of conducting business: The expiration date of each business entity's license will coincide with the expiration date of the designated responsible broker. Any of the above business entities wishing to conduct business which requires an Idaho real estate license must also submit the \$50 application fee plus:

- a. An additional completed license application for the entity and the license fee; and
- b. Certification that E&O insurance has been purchased for the entity in addition to the designated broker's E&O insurance.

Corporation

- c. A copy of the file-stamped articles of incorporation or authorization to do business in Idaho from the Idaho Secretary of State; and
- d. A copy of the minutes or corporate resolution showing a list of the officers, directors and their address; and that a designated responsible broker has been appointed. The Designated Broker shall be an officer of the corporation.

Limited Liability Company

- c. Copy of the file-stamped articles of organization or authorization to do business in Idaho from the Idaho Secretary of State;
- d. The portion of the operating agreement naming the designated broker; and
- e. A list of members, managers, and their addresses. The designated broker shall be a member or a manager.

Partnership

- c. Partnership Agreement showing the designated broker as a general partner; and
- d. A list of all partners and their addresses.

Limited Liability Partnership

- c. Copy of file stamped qualification of limited liability partnership form or authorization to do business in Idaho available from the Idaho Secretary of State;
- d. Copy of partnership agreement showing the designated broker is a general partner; and
- e. A list of all partners and their addresses.

Limited Partnership

- c. Copy of the file stamped certificate of limited partnership or authorization to do business in Idaho from the Idaho Secretary of State;

- d. Limited partnership agreement naming only a general partner as designated broker; and
- e. List of all limited and general partners, and their addresses.

15. Branch Office Licensing Requirements

The designated broker for a brokerage may open one or more branch offices. There are 2 types of branch offices: licensed and unlicensed. A branch office must use the same name as the brokerage. A branch office license is required only if the office keeps the original transaction files of that office, or the office has a separate real estate trust account. A branch office need not be licensed if it maintains neither the trust account or original transaction files.

A licensed branch office must have a branch manager (an associate broker designated by the broker to run the office who has completed the BCOO course within the past three years).

To establish a licensed branch office, complete and submit a branch office application together with the \$50 fee. A branch office license is valid only as long as both the establishing broker's and branch manager's licenses are valid.

Unlicensed branch offices can be established anywhere but must not have a separate trust account or maintain original records for transactions initiated by that office.

16. Special Consideration

Upon a showing of good cause, the Commission may waive or modify any license requirement upon an applicant's request for special consideration. A request for special consideration must be made in writing and include actual documentation in support of the request. Decisions are made at regularly-scheduled Education Council and Commission meetings. For additional information on this process, see the Commission's *Special Consideration Policy* at http://www.irec.idaho.gov/publes/special_consideration.pdf

MAINTAINING YOUR LICENSE

17. Errors and Omissions Insurance

Active licensees must maintain errors and omissions coverage during any period the license is active, not just at renewal; it is a law violation to allow coverage to lapse while on active status. The insurance policy period does not generally coincide with the licensing period, and the licensee must take care not to allow insurance to expire during the active license period. If you license at an office with an independent E&O policy and you move to a different office, remember to make sure you maintain coverage.

18. Renewing a License

All licenses, including those on inactive status, must be renewed.

It is your responsibility to renew your license on or before the expiration date. While the Commission, as a courtesy, regularly mails renewal notices to all licensee, not receiving a renewal notice does not excuse allowing the license to expire. The Commission encourages all licensees to renew licenses early and online at www.irec.idaho.gov.

Applicants must certify for the renewal that they have completed the continuing education requirement and have errors and omissions insurance.

Renewals must be received, complete, at the Commission office on or before 5 p.m. Mountain time of the license expiration date. Renewals received after 5 p.m. Mountain time will be assessed a \$25 late fee in addition to the renewal fee.

The expiration date of a new real estate license coincides with the last day of your second consecutive birth month following your original license date. After the first license term, subsequent license terms are based on a two-year period from birth month to birth month.

All companies and any licensed branch offices have a renewal date equivalent to the renewal date of the real estate broker establishing the company or branch office. The Commission mails renewal notices to the designated broker for each of those entities that require a separate renewal. However, not receiving a renewal notice does not negate the expiration date of the company license. Corporations, LLCs, LLPs, and all Partnerships must certify having firm E&O insurance at the time of renewal.

Licenses for business entities will be renewed at the same time the designated broker renews his/her license.

19. Continuing Education

What is the CE requirement?

All licensees renewing on active status must complete continuing education course hours. The continuing education requirement does not apply to a license renewed on inactive status.

If you are renewing a license on active status:

All individual licensees must have 16 hours of elective courses PLUS a Commission Core Course in order to renew on active status. Note: “Cracking The Code” or other ethics courses are not the same as the Commission Core.

If you are changing from inactive to active status:

An inactive licensee seeking to change to active status must have 16 hours of approved elective courses PLUS a Commission Core Course prior to activating the license.

The continuing education course work applies to each license renewal period, and excess hours are not accumulated or credited for subsequent license renewals.

A licensee may not receive credit for taking the same course twice in any renewal period. Preliminary courses will not carry forward to count for renewal of a new license. For more information regarding continuing education courses, visit www.irec.idaho.gov.

Licensee Request for CE Credit:

Licensees may receive continuing education credit for non-certified courses out of state and for other professions under certain conditions. To have your non-certified courses considered for CE credit, submit them on a Licensee Request for Continuing Education form sixty (60) days prior to your renewal. Be sure to include all requested attachments. This form is available at www.irec.idaho.gov.

20. Expiration & Termination of License

If you do not renew your real estate license by the expiration date, you may renew late for up to one year. A late fee of \$25 will be charged in addition to the renewal fee. A licensee who renews a license late online can only renew on inactive status; the designated broker must reactivate the license after renewal. A Late License Renewal Affidavit may also be required.

If you do not renew your license on time, it will be on expired status, during which time you may NOT practice as a licensee.

If you do not renew your real estate license within one year from the expiration date, your license will be terminated. You will then need to meet all current licensing requirements, including preliminary education, E&O insurance, license exam, and fingerprinting, prior to relicensure.

Please note that your license can be on an inactive status for an indefinite amount of time, **if the license is renewed each renewal period**. No CE or E&O insurance is required to renew and maintain a license on inactive status.

21. Making Changes to Your License or Record

Changes to license information are effective when all required forms and fees are received and approved by the Commission. Many changes can be made online at www.irec.idaho.gov. However, name changes for individuals or companies must be submitted to the Commission in writing with proof of the requested name change, such as marriage license, court order, secretary of state filing, etc.

All licensees, including companies, must notify the Commission of a change in personal address or phone number within 10 days and can do so through the online services.

22. Online Services

The Commission offers many online services. Anyone can look up and download licensee and education information through the public website search. To access other online services, licensees and applicants must register a user name and password. Registered users may:

- Change personal address
- Review personal education and E&O records
- Review personal license history
- Renew license up to 90 days in advance of expiration date
- Renew late license (up to 1 year from license expiration date)
- Print a license certificate

Brokers can additionally:

- Add or remove associates from the office
- Change address of the office
- Review education and E&O records for all licensed associates in the office
- Print license certificates for associates in the office

(For assistance or more information about the Commission's online services, please visit our website at www.irec.idaho.gov or contact the Commission office.)

23. Licensing Steps-Summary

1. Obtain an up to date Certified License History from your state's licensing board, if you are actively licensed in another jurisdiction; request an exam waiver for the national exam. Request form can be down loaded at: www.irec.idaho.gov/forms/ree047.pdf.

2. Complete any required prelicense education.

3. Register for license exam and fingerprinting through Pearson Vue (www.pearsonvue.com).

4. Pass license exam and submit fingerprints for background check.

5. Obtain E&O insurance coverage.

6. Submit completed application with licensing fee upon receipt of fingerprint approval.