



## State of New Jersey

DEPARTMENT OF BANKING AND INSURANCE  
LEGISLATION AND REGULATION  
PO BOX 325  
TRENTON, NJ 08625-0325

CHRIS CHRISTIE  
*Governor*

THOMAS B. CONSIDINE  
*Commissioner*

KIM GUADAGNO  
*Lt. Governor*

TEL (609) 984-3602  
FAX (609) 292-0896

MARY C. BEAUMONT  
*Director*

### BULLETIN NO. 11-09

**TO: ALL NEW JERSEY REAL ESTATE LICENSEES, SCHOOL DIRECTORS, INSTRUCTORS AND OTHER INTERESTED PARTIES**

**FROM: THOMAS B. CONSIDINE, COMMISSIONER**

**RE: UPDATE ON REAL ESTATE LICENSING MATTERS**

The purpose of this Bulletin is to provide real estate licensees, directors of licensed pre-licensure schools, licensed instructors, and other interested parties with updated information on pending rulemaking actions and other developments related to licensing transactions, continuing education and the new referral agent license type.

#### I. COMMISSION RULEMAKING

On January 16, 2010, P.L. 2009, c. 238 (the "Act") was signed into law. The Act amended the Real Estate Brokers and Salespersons law to require real estate brokers, broker-salespersons and salespersons to complete continuing education courses as a condition to the biennial renewal of their licenses, and created the new license category of referral agent. The Act is effective July 1, 2011.

At this time, it is anticipated that the Notice of Adoption by the Real Estate Commission (the "Commission") of its new and amended rules regarding continuing education will appear in the July 18, 2011 New Jersey Register. Upon its being published, the Notice of Adoption will be posted on the website of the Department of Banking and Insurance (the "Department") at <http://www.state.nj.us/dobi/legsregs.htm> where the Notice of Proposal can also be viewed under the heading "Proposed New Rules - Comment Period Expired." Both notices should be read together in order to view the complete rules as adopted.

With respect to the new referral agent license type, it is anticipated a Notice of Proposal of New and Amended Rules will appear in the New Jersey Register on August 1, 2011, with a sixty day comment period to follow. Again, upon the publication of that Notice in the Register it will also be posted on the Department's website at the address indicated above.

## II. CONTINUING EDUCATION

Based upon the impending adoption of the new and amended rules implementing the statutory continuing education requirement, in early July, 2011 the Department will post on its website at [http://www.state.nj.us/dobi/division\\_rec/licensing/recforms.htm](http://www.state.nj.us/dobi/division_rec/licensing/recforms.htm), application forms for approval as a continuing education provider or instructor, or of a continuing education course. Applicants should read and comply with the instructions on each type of application and submit the completed application(s) with the required fee(s) and supporting materials to the address indicated on the application forms.

Upon the posting of the applications on the Department's website, applicants will be able to complete the applications online and then print-out the completed application and submit it with the required fee and supporting documentation.

### Providers

Pursuant to the Act and the new rules, currently licensed prelicensure schools are deemed to be approved providers of continuing education courses and may commence to offer approved courses once a provider identification number has been assigned and the credit reporting system discussed below is operational. Licensed schools will use their current license reference number as their continuing education provider identification number when reporting licensees' successful completion of approved continuing education courses offered by them. Upon applying for and being assigned a provider identification number, public adult education programs and public accredited colleges and universities may commence offering approved continuing education courses. Such public programs and institutions are not required to pay an application fee when applying for the assignment of a provider identification number. Private accredited colleges and universities and all other prospective continuing education providers must make application, and qualify for approval as set forth in the law and the rules, and pay the \$300.00 application fee.

Providers are responsible for ensuring that instructors are qualified to teach specific courses offered by the provider. For example, an instructor approved to teach elective courses based on extensive experience in commercial real estate but who has no experience on residential transactions should not be utilized by a provider to teach courses that focus on issues specific to residential real estate.

### Instructors

Currently licensed pre-licensure education instructors are deemed approved as continuing education instructors of core-topic courses. Like licensed pre-licensure education schools, their instructor license reference number will serve as their continuing education instructor identification number. To be approved to teach elective topic courses such instructors must make application for such approval and pay the \$150.00 application fee.

All other applicants, including instructors of courses offered at public adult education programs and accredited colleges and universities, must apply for approval and pay the required fee. Upon qualifying and being assigned a continuing education instructor identification number such persons may commence teaching approved continuing education courses on topics in which they are qualified.

## Courses

A licensee's completion of the 90-hour, or either of the two 30-hour broker pre-licensure education courses in a given license term will fulfill that person's continuing education requirement for that license term. CE Course Identification Numbers will be assigned to all 3 of those courses and must be used by licensed schools when reporting a student's completion of such a course to the Commission's CE credit tracking vendor as described below. School Directors will be advised of the CE Course Identification Number assigned to the three broker pre-licensure education courses in a separate notice.

Applicants for the approval of all other courses as credit-worthy continuing education courses must submit the required application and supporting documentation and \$200 application fee. This includes ARELLO-approved distance learning courses in elective topics, which are required to fulfill the criteria established by the rules with respect to content, but will be deemed to have fulfilled the approval criteria that relate to course security and administration.

Providers of continuing education courses will, at a minimum, need to capture and report the license reference number of all licensees who will receive credit for completing continuing education courses they offer. The Department's license examination vendor will provide the system for tracking continuing education credits earned by licensees and for licensees to access their transcripts of credits earned. It is anticipated that this system will be operational by early August, 2011. In the interim, providers will need to retain the data on students who complete any approved continuing education courses, including the broker pre-licensure education courses, and then download the data after the credit reporting system becomes operational. In addition, providers will have to retain the data on the student evaluations described in the proposed rules at N.J.A.C. 11:5-12.8(h), and report such data when, based upon the results of the evaluation, they are required to do so by N.J.A.C. 11:5-1.28(i). As was noted above, a separate Bulletin will be issued explaining this system in greater detail and providing additional information in the weeks before it will become operational. Information will also be posted on the Department's website as it becomes available.

### **III. PRINTING OF LICENSES**

To save printing costs and promote efficiency, from this point forward, no paper licenses will be printed and mailed to licensees. As stated in Bulletin No. 11-07, in order to verify that applications for initial licensure as a salesperson, broker-salesperson or broker, and that renewals, transfers, reinstatements of licenses, and other licensing transactions have been successfully processed, licensees and the general public may access the "Licensee Search" function available on the website of the Department at [https://www16.state.nj.us/DOBI\\_LicSearch/recSearch.jsp](https://www16.state.nj.us/DOBI_LicSearch/recSearch.jsp). The search function can also be used to verify the status of current licensees.

The Department is in the process of upgrading its computer systems, which is anticipated to be complete by September 30, 2011. Upon the completion of those upgrades, brokers will be able to print out the licenses of all persons licensed with their firms. Additional information on how this system will function will be provided in a future Bulletin.

## **IV. LICENSE RENEWALS AND LICENSURE OF REFERRAL AGENTS**

### **New Licensees**

To qualify for initial licensure as a referral agent, an individual must fulfill the prelicensure education requirement for licensure as a salesperson and pass the salesperson license examination. Referral agents are not required to complete continuing education but, upon initial licensure and renewal, their brokers are required to review with them the restrictions imposed by law upon the brokerage-related activities of referral agents and to certify to the Commission that they have done so.

Previously unlicensed persons applying for initial licensure as a referral agent who have passed the salesperson license examination prior to July 1, 2011 must also submit a referral agent certification with their application and licensing fee. Forms of the certifications for both referral agent license applicants and their sponsoring brokers are available on the Commission's website at [http://www.state.nj.us/dobi/division\\_rec/index.htm](http://www.state.nj.us/dobi/division_rec/index.htm). Applicants who pass the license examination after July 1, 2011 will be able to indicate on the pass notice/license application that they are applying for a referral agent license. They and their sponsoring broker can complete certifications on the license application form itself, which is being revised as of July 1, 2011 to include such certifications.

Once enhancements to the "Licensee Search" function on the Department's website have been completed, licensed referral agents will appear on that function as referral agents. Until those modifications are complete that function will not reflect their status as such.

### **Renewed/Renewing Licensees**

Due to problems experienced by many licensees when attempting to access the State portal to complete their renewal application on-line, the deadline for brokers to submit renewal applications has been extended through midnight on July 15, 2011. During the extension period, renewal applications will be accepted without the requirement to pay late renewal fees. Licenses renewed on the basis of such applications will be recorded as having been timely renewed.

Licensees who renew for the 2011-2013 license term by on or before July 15, 2011 and who wish to change their license type from broker-salesperson or salesperson to referral agent will be able to do so on-line after the Department's computer system upgrade is complete. However, only the brokers with whom such individuals are licensed will be able to access the enhanced on-line system to apply for such changes. For a period of 30 days from the date that the Commission/Department issues a Bulletin advising that the upgraded computer system is operational, brokers will be able to apply on-line to change the licensed type of renewed salesperson and broker-salesperson licensees who will remain licensed with their firm to the referral agent license type without paying any fee to do so. A \$25.00 transfer fee will be required on applications to change a license type to that of a referral agent license and to be licensed with a broker other than the broker with whom the individual renewed. After that 30 day period, a fee of \$50 will be imposed on all applications for a change of license type to referral agent, with an additional \$25 charged if the individual is also applying to transfer to another broker. When using the on-line system, the brokers of renewed licensees will be able to specify an effective date for the change of the license type to referral agent, which can be

backdated to July 1, 2011 or a later date. In no case may the effective date of such a change be prior to July 1, 2011 or prior to the effective date of the licensee's employment with the broker making the application on behalf of the individual seeking to change his or her license type. Current licensees are encouraged to renew their licenses by July 15, 2011 in order to avoid the additional fees associated with the reinstatement of an unexpired license, either in their current license type or with a change of license type to referral agent. After September 1, 2011, real estate firms with a large number of renewed licensees who wish to change their license to that of a referral agent may call the Department's Licensing Services Bureau - Real Estate Section at 609-292-7272 for information on a process now being developed to process change of license type applications on a group basis.

### **Unexpired Licensees**

Individuals seeking to reinstate an unexpired license as a broker-salesperson or salesperson after July 15, 2011 must make application and pay the applicable fees (\$250 for broker-salespersons; \$150 for salespersons). Persons seeking to reinstate an unexpired broker of record or employing broker license should contact the Real Estate Section of the Licensing Services Bureau. Applications for the reinstatement of unexpired licenses cannot be processed on-line. Individuals seeking to reinstate an unexpired license and also change their license type from an employing broker, broker of record, broker-salesperson, or salesperson to a referral agent must submit an application (available on the Commission's website at [www.state.nj.us/dobi](http://www.state.nj.us/dobi)) and pay the applicable reinstatement fee and an additional \$50.00 change of license type fee. If changing from an employing broker or broker-of-record license, applicants must also submit an Office Closing Affidavit as required by N.J.A.C. 11:5-3.9(c). Again, such applications cannot be processed on-line.

## **V. POCKET CARD AND DISPLAY OF LICENSE REQUIREMENTS**

As was noted above, until the Department's enhanced computer systems are operational brokers can print the screen on the "Licensee Search" function of the Department's website and retain that print-out as confirmation of an individual's status as a licensee with their firm. (Again, brokers can do so now with respect to broker, broker-salesperson and salesperson licenses and, upon completion of modifications to the License Search function, will also be able to do so on newly licensed persons initially licensed as referral agents after July 1, 2011, and on persons who reinstate unexpired licenses and change to the referral agent license type after July 15, 2011.) To remain in compliance with N.J.S.A. 45:15-14, licensees can carry that print-out in lieu of the pocket card previously provided with printed licenses.

So long as brokers are capable of producing the screen print-out upon request, either at their main office or at the branch office where the individual works, they will be deemed to be in compliance with the requirement in N.J.S.A. 45:15-12 that the licenses of all persons licensed with their firms be displayed at the office of the broker.

Licensees are reminded that all transactions for which applications were included on the reverse side of the printed licenses, including transfers, terminations and name changes, may, with the exception of name changes, be completed through the on-line licensing system currently available at <https://portal01.state.nj.us/http>. Brokers need only complete/enter the required data on the appropriate application and submit it with their electronic payment. Because name

changes require the inclusion of supporting documentation, the name change application available on the Commission's website at [www.state.nj.us/dobi](http://www.state.nj.us/dobi) must be completed and submitted via regular mail, with the supporting documentation and the required fee, to the Department's Real Estate Licensing Services Bureau.

All brokers are urged to promptly disseminate this Bulletin to all persons licensed with their firms.

June 29, 2011  
Date

  
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Thomas B. Considine,  
Commissioner

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