AREC

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ARKANSAS

Real Estate Commission

CONSUMER AND LICENSEE GUIDE

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ARKANSAS
Real Estate Commission
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The mission of the Arkansas Real Estate Commission is to protect the public interest, through the examination, licensing, and regulation of real estate Brokers and Salespersons, and through administration of the Arkansas Time-Share Law.

This guide gives you a little history of the Commission and lists services provided to licensees and consumers. If you require more specific information please contact our office.

Thank you for your interest in the Arkansas Real Estate Commission.

Gary C. Isom
Executive Director

Helpful CONTACTS!

If you need additional information or assistance from the Arkansas Real Estate Commission concerning:

Administration
Licensing
Investigations

Call us at 501-683-8010.

Executive Staff

Gary C. Isom
Executive Director

Just the Facts...

presented to the seller. However, your offer may be presented to the seller simultaneously with other offers received by the listing firm.

- Earnest money specified in any offer for real estate must be delivered to the firm who has the property listed and deposited into a trust account within three days following acceptance of offer.
- Any and all changes, additions, modifications and/or extensions to any real estate contract or agreement must be reduced to writing and initialed or signed by all parties to the transaction.
- A real estate licensee may not advertise property without the property owner's permission.
- When offering or advertising a listed property, a real estate licensee may not quote any price other than that agreed upon with the owner as the offering price.
- A real estate licensee who represents you in a real estate transaction must disclose in writing any source of payment they anticipate receiving from any source in connection with the property and disclose in writing if they have an interest in the property.

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History

During 1929 the Arkansas Legislature created the Real Estate License Law, which included the formation of the Arkansas Real Estate Commission. The intent of the law was and still is to regulate the practice of real estate Brokers and Salespersons in order to protect the public health, safety and welfare.

The Commission consists of five members appointed by the Governor, three of whom are actively engaged in the real estate industry, and two of whom are consumer members. One of the consumer members is expressly appointed to represent the elderly. These Commissioners employ an Executive Director who employs a staff necessary to carry out the provisions of the Real Estate License Law and perform the day-to-day functions of the Arkansas Real Estate Commission.

The Arkansas Real Estate Commission is a state regulatory agency charged with licensing and regulating the conduct of real estate licensees in the state of Arkansas.

The Commission also oversees the Real Estate Recovery Fund which is used to reimburse members of the public who have been damaged as a result of a real estate

Just the Facts

What Can You As A Consumer Expect From An Arkansas Real Estate Agent?

- As a consumer in a real estate transaction, you should be informed as to whom the agents in the transaction represent. Agents may represent buyers/tenants, sellers/landlords, or all parties to a transaction when written permission has been received from all parties. For more information, ask your agent or contact AREC for a copy of the AREC Agency Representation Pamphlet.
- If a real estate licensee represents you, he/she must protect and promote your interests.
- If you are working with a real estate licensee who does not represent you, the licensee has the duty to deal honestly with you.
- An agent must furnish you copies of signed real estate documents.
- Any written offer that you or your agent presents to the listing firm must then be promptly

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Recovery Fund Hearings

The Arkansas Real Estate Commission may also conduct a Recovery Fund Hearing upon written request of the Complainant when, and only when, a Respondent licensee has been found to have violated the provisions of the Real Estate License Law and/or Commission Regulations during a Formal Disciplinary Hearing.

A Complainant may request a Recovery Fund Hearing before the Commission to determine whether the Complainant suffered actual damages because of the activities that led to formal charges against the Respondent. The Complainant has the burden of proving they have been financially harmed. There are limitations to the amounts that the Commissioners may award through this proceeding.

If the Commission determines that the Complainant has been damaged as a result of the licensee's violation of the License Law or Regulations, the Commission can order the licensee to pay actual damages to the Complainant up to $15,000. If the licensee does not pay within thirty (30) days the Recovery Fund will pay the ordered amount.

licensee's violation of the License Law or Regulations. The Recovery Fund is also used for real estate education purposes.

During 1983, the Arkansas Legislature passed the Arkansas Time-Share Act and assigned enforcement responsibility to the Arkansas Real Estate Commission. The major duties of the Commission with regard to the Time-Share Act are to administer the provisions of the Act, to establish the necessary regulations, and to register time-share projects which offer time-share intervals in the state of Arkansas.

Licensing

Any person who provides real estate services as defined in the Arkansas Law for another person for a fee is required to obtain an Arkansas Real Estate License from the Commission.

There are two types of real estate licenses issued by the Commission – Brokers and Salespersons. Persons who obtain Brokers' licenses are further categorized as Principal, Executive or Associate Broker. A Principal Broker is responsible for the activities of all other persons licensed with the Principal Broker's firm. Each office must have a Principal Broker; however, Executive Brokers may be appointed to carry out supervisory and administrative functions of the office. Associate Brokers operate much the same as Salespersons; however, because they have obtained a Broker's license, they have the advantage of being able to move into an Executive or Principal Broker position.

Separate educational and examination requirements exist for Salespersons and Brokers. To sit for the Salesperson's exam, an individual must complete sixty (60) classroom hours of education, thirty (30) of which must be in Principles of Real Estate. Once the Salesperson has passed the exam and activated their license, an additional eighteen (18) hours of post-licensure education must be completed within the first year. After two years of active licensure, a Salesperson may sit for the Broker's exam.

Commission Regulations have occurred. If Commissioners find that violations have occurred, they may order any or all of the following sanctions:

- Suspension, revocation, or denial of his or her license or the renewal thereof;
- A penalty not to exceed one thousand dollars ($1,000) for each violation;
- Require completion of appropriate educational programs or courses;
- Require successful completion of an appropriate licensing examination;
- Place conditions or restrictions upon the licensee's license or practice; or
- Such other requirements or penalties as may be appropriate to the circumstances of the case, and which would achieve the desired disciplinary purposes, but which would not impair the public welfare and morals.

Following the Hearing, the Executive Director will issue a document to all parties entitled Findings of Fact, Conclusions of Law and Order. Once this document has been served, the parties have thirty (30) days to appeal the Commission's decision to the appropriate appellate court.

Formal Hearings

The Arkansas Real Estate Commission may, by its own motion, or based upon a bonafide complaint, schedule a Formal Hearing for a licensee to appear before the Commission. Whenever a Hearing is scheduled, the parties involved are notified and furnished a document entitled Order and Notice of Hearing which sets out the allegations and charges to be heard by the Commissioners.

A minimum of three (3) of the five (5) Commissioners are required to be present at a Formal Hearing. The Commissioners serve roles similar to a judge and/or jury. The staff of the Commission, together with their legal representation from the Arkansas Attorney General's Office, presents the case against the real estate licensee. If a complaint is involved, the complaining party will often serve as a witness on behalf of the staff of the Commission. The licensee, referred to as a Respondent during the Formal Hearing, may be represented by their own attorney. Other parties involved in the Hearing process are a Hearing Officer, whose job it is to ensure that the Hearing is conducted in compliance with the Arkansas Administrative Procedure Act, and a Court Reporter is present to record the entire Formal Hearing proceeding.

After the case has been presented to the Commission and the Respondent and/or their attorney has had the opportunity to respond to the charges, the Commissioners determine whether any violations of the Arkansas Real Estate License Law and

The educational requirement for the Broker's exam is sixty (60) classroom hours of real estate education taken within thirty-six (36) months immediately preceding the date of application. After passing the Broker's exam, the newly licensed Broker is required to obtain thirty (30) classroom hours of post-licensure education within the first year.

Each real estate license must be renewed annually. To renew a license on Active status, the licensee must obtain six (6) classroom hours of continuing education each year.

Real Estate License Costs

	Salesperson	Broker
Initial License:		
Application Fee	$50	$50
State Background Fee	$22	$22
Federal Background Fee	$19.25	$19.25
Exam Fee	$75	$75
License Fee	$50	$70
Recovery Fund Fee	$25	N/A
Annual Renewal:		
Renewal Fee	$50	$70

Complaints and Investigation

The jurisdiction of the Arkansas Real Estate Commission is limited to the Real Estate License Law and the activities of persons holding Arkansas Real Estate Licenses.

Whenever a consumer believes that a real estate licensee in Arkansas has acted improperly or dishonestly in their capacity as a real estate agent, the consumer may file a written complaint with the Arkansas Real Estate Commission. After a complaint is received, an initial determination is made as to whether the subject matter of the complaint and individuals involved are within the jurisdiction of the Arkansas Real Estate Commission. Secondly, it is determined whether the complaint falls within the three-year statutory limitations period.

Assuming the Real Estate Commission has authority over the subject matter of the complaint, an investigation will be conducted. Copies of the complaint will be sent to each licensee against whom the complaint was filed. The licensee will be instructed to file a written answer to the complaint, a copy of which will be mailed to the complaining party. After sufficient documentation has been obtained, an Investigator will review the file, contact parties as needed, and eventually prepare an investigation report which will be presented to the Executive Director.

The Executive Director will ultimately decide whether or not the complaint shall be dismissed or scheduled for a Formal Hearing. If the complaint is dismissed by the

Executive Director, the complaining party will have sixty (60) days to appeal the Executive Director's decision to the full Commission, who will then review the written record (the complaint file) and determine whether to uphold the Executive Director's decision to dismiss or to request further investigation, or to schedule the matter for a hearing.