

## REAL ESTATE

### Frequently Asked Questions – Continuing Education (CE) Misconceptions

Many misconceptions regarding real estate continuing education are circulating. Some are the result of statutory changes and some are just plain wrong! Staff helped dispel these erroneous ideas time and time again during calls concerning renewals.

These FAQ's that follow are presented to assist in your understanding of the requirements, how they may have changed, and how the Department processes CE hours for licensees. It is important that licensees and CE Sponsors understand continuing education and how accumulated hours interface with the Department's processing of license renewals. Please share this information or refer others to it. Your cooperation in assisting the Department in dissemination of the correct information will benefit all involved! Thank you.

**Question: Number 1:** Taking continuing education is not required for the first year a person is licensed. There is a waiver in that first year.

**Answer: Number 1:** *No! No! No!* While this was true when the CE requirements were enacted in 1985, it changed with the amendments that took effect in December 2002. There is no "waiver" or "exemption" in any year toward hours required.

Further information: The statute details real estate licensees' continuing education requirements in Section 2504 (MCL 339.2504), an excerpt is reprinted below for your convenience. While the total number of hours required at renewal is prorated for licenses issued in the second or third year of the three year cycle, continuing education **is required every year.**\* Subsection (4) has been provided in part below and contains highlighted information to point out the CE requirements that have been in effect since 2007:

(4) . . . During calendar year 2007 and thereafter, a licensee **shall complete at least 2 hours per calendar year of the required 18 hours of continuing education courses.** Any education successfully completed by a licensee for further professional designation and approved by the department as continuing education may be counted toward the total continuing education credits required for the 3-year license cycle. Each licensee, in completing the appropriate number of clock hours, will have the option of selecting the education courses in that licensee's area of expertise, as long as the education courses are approved by the department and **as long as at least 2 hours of an education course per calendar year involve law, rules, and court cases regarding real estate.** Notwithstanding the provisions of this subsection, the department may renew the license of a licensee who has completed not less than 18 hours of continuing education in the subject matter areas required by this subsection during the 3-year license cycle but has not otherwise met the requirements of this section if the licensee provides evidence satisfactory to the department that he or she has good cause for not complying with the requirements in this subsection.

**\* Important Note:** Licenses are not issued for a term of less than 4 months (120 days). Therefore, each July in the first year of a three-year cycle, the next expiration date is used. For example, we issued 10/31/2012 expiration licenses beginning July of 2009.

The "every year" CE mandate therefore could mean that someone's first "year" might be as long as 16 months if it was issued in July-August-September-October of that first year. The second year is 11/1/2010 to 10/31/2011 and third year is 11/1/2011 to 10/31/2012 (license expiration).

To recap, each year, licensees must complete **a minimum** two clock hours of "law" related real estate continuing education. When renewing, and before expiration, each licensee must accumulate a total number of hours applicable to that licensee's issue date.

For example,

- The license was issued in the first year of the three year cycle, 18 hours are required
- Issued in the second year, 12 hours
- And issued in the third year, 6 hours are required, respectively.

**Question: Number 2:** If a continuing education course received Department approval, will it automatically count toward the licensees' renewal?

**Answer: Number 2:** *Not always.* Yes, it is important that courses are first approved by the Department and are provided via an approved Continuing Education Sponsor and Instructor. Time after time during this recent renewal cycle the Department repeatedly identified licensees who did not understand why the new license had not issued and it was discovered that the licensee repeated a course. Often it occurred because some basic courses are written by one author and then submitted for approval and offered by different CE Sponsors. However, even if the Sponsor number changes, the course number remains the same and cannot be given credit twice. Rule 659 (R 339.22659) of the Continuing Education administrative rules for real estate says:

**"Credit for completion of a course shall only be granted once in each renewal period, or as part of the requirement to become relicensed, after a license has lapsed."**

The intent of requiring continuing education for real estate licensees as a renewal prerequisite is to improve the professionalism of the licensee in his or her dealings with the consumer. While the Department collects course attendance data from all approved CE Sponsors, the licensure database does not reject duplicate courses at the point of attendance collection. If the Sponsor reports your attendance, it is posted to your record with the Department.

Verify that your CE courses and credit hours are reported at the "[Check a License](#)" link on the Department's website. The attendance data display is segregated by listing hours as "current cycle" and "all continuing education" for licensees. The course hours are displayed in two sections:

- Courses are displayed in “current cycle” reported courses (which for the current cycle will contain an “L” in the course title). When determining which category a course should display in and it is a duplicate, only ONE (the first one completed) will display under “current cycle.” The duplicate course will be posted to “all courses” on the record.
- The toggle link can take you to “all continuing education” to view the historical report of any and all courses ever reported.

It is important that licensees check course numbers when registering for a class to ensure that time and money are not wasted repeating a class. We cannot, and thus will not, allow credit to be used twice when checking hours at renewal.

**Question: Number 3:** As long as all the CE requirements are met before the end of the calendar year in the year the license expires, can licensees pay and continue to accumulate CE hours while continuing to practice?

**Answer: Number 3:** *No.* As with practically every license, permit, registration or other item containing an expiration date, there is a deadline. All current real estate licenses will expire **10/31/2012**, after that date the licenses are no longer valid and practice must stop (unless licensee has again renewed their license). Licenses formerly expired at the end of each year (12/31), but this was changed and October 31 is the deadline for years in which licenses expire, not year-end. There is a rule that allows for continued practice, but only if specific requirements are met before the expiration date.

Rule 213 (R 339.22213) states, in part:

“(1) An applicant for renewal of a license may continue to operate as previously licensed, using the expired wall license and pocket card as evidence of proper licensing, if the applicant has met both of the following conditions **by the expiration date:**  
 (a) Submitted a complete application for renewal and the required fee.\*  
 (b) Completed the required continuing education. \*\*  
 (2) An applicant for renewal whose application is received by the department after the expiration date\*\*\* shall not operate until the applicant’s employing broker receives his or her new license and pocket card.”

\* This rule was written before the Department offered online renewal. When “submitted” is referenced, it means both mailed and online renewals.

\*\* As noted in Misconception Number 1, “the required” continuing education means the number of hours required for that person, which can be prorated depending upon when the license was issued in the three-year cycle.

\*\*\* Continued operation for a salesperson and associate broker depends upon the employing broker’s renewal being issued. Without a renewed license for the employing broker, such continued operation is not permitted. Further, once the renewal deadline passes and all requirements are not met, all connected licensees must cease the practice of real estate until the employing broker’s license and pocket card are issued.

Renewal applications will be mailed approximately 60-90 days prior to 10/31/12, which is a very important reason that licensees keep their address current with the Department (as required by law). Also, the renewal website is activated when license renewals are mailed, allowing online renewal and payment by credit card or electronic check.

**The Bottom Line:** Take responsibility for completing continuing education in accordance with the requirements of the statute, be aware of all the requirements to hold and renew your license, meet the submission requirements to renew in a timely manner and your license renewal should go seamlessly and accurately. The Department strives to serve licensees professionally and courteously. Continuing education is a part of protecting the public that is taken very seriously.

It is always best to check with the Department's staff if you have questions. E-mailed inquiries are easy and receive responses quickly. Address your questions to:  
RE\_Brokers@michigan.gov