

REAL ESTATE

Important License Renewal Information from the Department of Energy, Labor & Economic Growth (DELEG), Real Estate Licensing Unit

The following provides extensive information about renewals, continuing education (CE) and other important facts that are helpful regarding real estate license renewals. Familiarizing yourself with the answers to these common questions will assist you in being better informed about your license and the triennial license renewal process.

All real estate licenses expire on the same date – October 31, 2009. Renewal notices were mailed out the first week in September. The DELEG licensing unit receives many calls from licensees wondering:

- How much CE has been reported for me?
- What can be done if the CE shown on the DELEG Internet site is incorrect?
- How do I interpret information on the DLEG website, e.g., what CE do I need for renewal – what courses will count?
- What CE should I be looking at when checking my hours on the DELEG link called "Check CE Credits" on the Internet?
- What CE do I need to renew or how many more clock hours do I need this year or next?
- What can be done if CE is "missed"?
- What happens if I have insufficient CE to renew?
- If I just received my license this year, do I need CE to renew?
- How can I find a CE class to take?

(1) Reporting of CE hours to DELEG

Regarding reporting of CE hours, it is the continuing education sponsor's responsibility, whether classroom or Internet, to report licensee attendance within five (5) days after class completion. The CE sponsor is the person or entity approved by DELEG to offer courses to real estate licensees that will count toward renewal of real estate licenses at expiration. If you believe that your CE hours on DELEG's website are incorrect or deficient, please first compare the hours that are posted on the website against those that are reflected on completion certificates that were given to you at the conclusion of the course. Even Internet course sponsors are required to provide you with a certificate of completion. If a course or the correct hours are not posted, contact the CE sponsor and have the sponsor remedy the error so that attendance or the correction gets made. Check again (on the website

<https://www2.dleg.state.mi.us/colaLicVerify/>) after a few days giving DELEG time to get the hours posted or corrected. Continue to have the CE sponsor assist you to ensure that your CE hours are posted correctly.

(2) What CE courses “count” for renewal?

For the current three-year license cycle, **only** courses that are entitled “**K**” will be considered when processing your renewal. While the website reflects all CE you have taken (historical record of classes), note that different courses have different course identification. Again, look at the **K** courses that you HAVE NOT used when calculating your CE for this cycle/renewal. For example, your license lapsed/expired and you became relicensed during this current three-year cycle and you used some of the posted **K** courses to do so.

Also, it is easy to determine which courses are designated as “law” to meet the two hour per year requirement: those courses are numbered with a **K5000** series number, even if the word “law” is not contained in the title of the course.

(3) What are the inclusive dates of this three-year license cycle?

In a non-renewal year, the license year (as opposed to calendar year) begins on November 1. In a renewal year, the license year begins on July 1:

First year: 07-01-06 to 10-31-07

Second year: 11-01-07 to 10-31-08

Third year: 11-01-08 to 07-01-09

The cutoff in July is due to DELEG’s policy that dictates if a new license is to be issued for a term of less than 120 days (four months) the licensee will receive the next cycle’s expiration date.

(4) Do I get my CE requirements pro-rated if I received my license or got relicensed after the first year of this current three-year cycle?

Yes. The following applies and is driven by the year in which you entered the three-year cycle:

Year Entered License Cycle Unused “K” Hours Needed to Renew

Renewed in 2006 or license issued in 1st year 18

Issued New License or Relicensed in 2nd year 12

Issued New License or Relicensed in 3rd year 6

(5) What happens if I “miss” taking CE in one of the three years of the three-year cycle?

One of the most often asked questions is: “what is the impact on the license renewal if one or more ‘years’ or hours of CE are ‘missed’ or not completely fulfilled?” For example, failure to complete any CE hours in that year or completed an insufficient number of CE hours in that year.

Section 2504(4) of the license law (Occupational Code) states that in 2007 and thereafter, two (2) hours of law and rules update must be completed for 2007, 2008 and 2009 to be included in the 18 total hours that will be required to renew. What DELEG will be looking for at renewal is whether or not you meet the 18 hours of unused K courses (taking into consideration the pro-ration for obtaining a license or relicensure in mid-cycle that will apply to some licensees).

Remember that you will need to ensure that by the end of the renewal period ALL required hours have been completed. Continuing education is a requirement of license renewal. It is not anticipated that DELEG will take action against licensees who “missed” CE at some point during the cycle. Again, the computer will check for total eligible clock hours when it tries to process your renewal.

(6) What are the renewal requirements *in addition to* completing continuing education?

Remember that **CE is just one of the renewal requirements**. Salespersons and associate brokers are also required to renew to an active employing broker. Therefore, until the employing broker’s renewal is processed, the renewal applications submitted by the salespersons or associate brokers will continue to “cycle,” or the licenses will attempt to issue, until it finds that the broker has renewed. Once the employing broker’s renewed license is issued, the salesperson, associate broker and branch office licenses can be issued.

All license documents (paper wall license and attached pocket card) are mailed to the employing broker’s main office.

(7) What are the renewal deadlines or timelines? What if I renew late?

As with any deadline, timely submission is a very important factor. Licenses expire 10-31-09. If you have not met all the renewal requirements by that date, you must cease the regulated practice of real estate in Michigan. While a 60-day “late renewal” period does exist, that merely means that licensees can renew during those 60 days, pay an additional \$20 late renewal fee, meet the CE requirements and employing broker requirements (if applicable) and recommence practice after receipt of the updated license.

AFTER the 60-day late renewal period ends, if all requirements were not met by that date, you must apply for relicensure by filing a relicensure application form and fee. Fees you paid for the renewal (and late renewal, if applicable) were used by DELEG to process your application even though no license was issued. As such, these fees have been “used” to perform these administrative services and if you don’t meet the requirements, they are forfeited; they cannot be applied toward any subsequent relicensure application you may file.

Please be aware that postmarked envelopes have never been the determining factor in determining the receipt date of a renewal payment. October 31 is on a Saturday in 2009. The renewal payment must be the DELEG office the next business day which is November 2, 2009. Also, for the 60 day late renewal period, the 60th day falls on a state holiday. Please govern yourself accordingly and mail or renew early!

(8) What if the Renewal is paid *close to or on the deadline date*?

The only exception regarding deadlines is Rule 213. It provides that licensees can continue to practice IF all the requirements reach DELEG *before* the license expires. Obviously if you mail your renewal application and payment on October 29, DELEG will not have sufficient time to process it and get a new license to you before October 31; however, if you have met all the requirements, and DELEG receives the renewal payment by November 2, 2009, you can continue to practice on the expired license. It continues to be the responsibility of each licensee to ensure that all requirements are met before expiration.

(9) What's my best option for a "painless" renewal?

DELEG encourages licensees to renew on-line, using the iCola Internet site and paying with a credit card. See the article under "Spotlight" regarding iCOLA information and three links are provided there get you directly to the iCOLA page you need. Renewing on-line is the quickest, most efficient way to process the renewal transaction and will result in receiving the renewed license the fastest.

Please consider using the iCola on-line renewal method if at all possible. Although paper renewal applications have been mailed out (to the license address we have on file for you) by now, we encourage you renew online.

(10) Do I have to take CE the first year I'm licensed?

YES! EVERY licensee who renews is required to have completed continuing education hours. A common misconception that DELEG routinely hears is that there still exists a "first year exemption" for new licensees. Not true. This was eliminated when DELEG changed to the three- year license cycle. EVERY licensee who renews will require continuing education hours. Please take note of how the total hours needed are prorated was offered previously in this document.

(11) My real estate license is in "escrow" or with a "holding/referral" type broker. Is that different?

First of all, the option to place a real estate license in "escrow" or inactive status **ended in 1991**. However, escrow is still a common term used for licensees who have placed their licenses with a "holding" or "referral" type broker. Licenses are either active or expired. Individuals referring to a license being in inactive because they are not active in the real estate industry or have their license placed with a "holding company" broker will still be required to complete continuing education to renew. We urge you to check with your employing broker to ensure that you abide by any agreed-upon stipulations. These are issues such as being required to complete CE through a sponsor the broker chooses or paying an additional fee to the broker to retain your license with the broker. DELEG has no jurisdiction over these agreements.

Note: Salespersons in a "no employer" status (license returned DELEG at some point during the three-year cycle) will NOT receive a renewal notice unless they transfer before the license expires. After the late renewal period ends, those individuals must apply for relicensure.

Another important issue: There will be those who fall into the category of having a pending application on file (e.g., salesperson transfer application to activate the license) that does not get processed before the renewal print process takes place. If it is the intent that a salesperson desires an active license, the renewal fee for the upcoming three-year license cycle would likewise have to be paid and appropriate CE taken. Once more information about this process is available, it will be posted. If you have any questions about your license status or what is required, it is ALWAYS suggested that you call DELEG to ensure you obtain the correct information.

(12) How do I find a CE course to complete?

If you need to find a CE course to complete, DELEG has lists and search capabilities at: [<https://www2.dleg.state.mi.us/colaCourses/>]. Everyone should be able to find courses that are convenient for them to complete, especially with distance learning via the Internet being an option.

(13) I renewed on time and met all my requirements so why am I still not renewed?

A common issue for salespersons and associate brokers is when the employing broker has changed license entity types and received a different license which results in a different employing broker i.d. number (e.g., the broker was licensed as a corporation broker and now is licensed as an LLC). If you attempt to renew to a broker that is not renewed, it is NOT AUTOMATIC that your license will issue to the new broker entity since all licenses are tied specifically to an employing broker's i.d. number. Salespersons desiring to be licensed to the new entity must transfer. Associate brokers must complete a NEW application to become licensed to the new broker entity.

If you pay a renewal fee with a previous or non-renewed broker listed on your renewal application, there are no refunds if you subsequently determine that you needed to be licensed to the new entity. Please keep in close contact with your employing broker. Don't make a mistake that is costly, both financially and that negatively impacts your ability to practice.

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