

201 KAR 11:450. Broker management course.

RELATES TO: KRS 324.046(1)(a)

STATUTORY AUTHORITY: KRS 324.046(1)(a), 324.281(5), 324.282

NECESSITY, FUNCTION, AND CONFORMITY: KRS 324.046(1)(a) requires the commission to promulgate an administrative regulation determining the required course content of a brokerage management skills course for all broker applicants. KRS 324.281(5) and 324.282 require the commission to promulgate administrative regulations to implement KRS Chapter 324. This administrative regulation establishes the requirements of the brokerage management skills course and incorporates the curriculum by reference.

Section 1. An applicant for a broker's license shall first attend a three (3) academic credit hour brokerage management skills course as part of his or her twelve (12) hours of broker pre-license education real estate courses pursuant to KRS 324.046(1)(a).

Section 2. The brokerage management skills course shall:

- (1) Satisfy three (3) hours of the applicant's twelve (12) hours of real estate courses required to become a broker;
- (2) Be a three (3) academic hour comprehensive review of all the skills necessary to run a brokerage office in accordance with:
 - (a) KRS Chapter 324;
 - (b) 201 KAR Chapter 11;
 - (c) Common law and federal law relating to real estate; and
 - (d) The standards of practice for a real estate broker pertaining to adequate supervision of all sales associates affiliated with the broker;
- (3) Require each student successfully completing the course to develop a sample business plan, a sample financial plan and an office policy and procedure manual;
- (4) Require submission of the projects listed in subsection (3) of this section within one (1) year of completion of the coursework;
- (5)(a) Require each successful student to take a comprehensive, closed-book examination consisting of at least seventy-five (75) multiple choice questions and to pass the test with a minimum score of seventy-five (75) percent;
 - (b) One (1) retake of the examination shall be permitted;
 - (c) The examination shall be submitted to the commission for approval prior to use in the course;
 - (d) The commission shall review each proposed examination for content to ensure that each course topic is covered and tested; and
 - (e) If certain areas are lacking, the commission shall issue recommendations as to how to improve the examination and shall allow the school thirty (30) days to resubmit the examination for approval.
- (6) Require schools and instructors to take appropriate steps to maintain the confidentiality of the final examinations at all times. These steps shall include:
 - (a) Maintaining examinations and answer keys in a secure place accessible only to the school administrator and the instructor;
 - (b) Prohibiting students from retaining copies of the final examination answer sheets; and
 - (c) Monitoring the students at all times when examinations are being conducted.

Section 3. Instructors. (1) An instructor teaching this course shall have at least three (3) years of previous experience within the past five (5) years as a Kentucky approved instructor

of prelicense courses.

(2) Each instructor shall attend a commission-approved training program specifically designed for this course prior to teaching the course for the first time.

(3) All approved prelicense schools shall be notified when a training program has been scheduled, and the school shall notify any instructors that wish to attend the training program.

(4) Upon completion of the training course, the instructor's request for approval shall be submitted to the commission for approval, along with the course materials.

(5) The commission shall notify the provider and instructor of its decision in writing.

(6) In order to retain approval to teach this course, an instructor shall attend all subsequent training programs that the commission deems necessary based upon changes in license laws and administrative regulations.

Section 4. Course Approval. (1) To obtain approval for the course, the school shall submit a course syllabus which outlines the requirements for the course and other attachments, specifically:

(a) The time period over which the course will be conducted and a sample schedule of how the course will be offered;

(b) The course description and objectives;

(c) The attendance and participation requirements;

(d) When projects shall be due;

(e) When the final examination shall be conducted;

(f) The grading scale;

(g) The textbooks being used and how material will be taught in conjunction with completion of the projects and the final exam;

(h) The name and contact information for each instructor who will teach the course, subject to completion of the required instructor training program;

(i) A copy of the final examination bank and answer key; and

(j) A copy of the mandated curriculum.

(2) Course approval may be withdrawn by the commission if the instructor fails:

(a) To follow the prescribed outline;

(b) To require the students to develop a sample business and financial plan or a sample of-office policy and procedure manual;

(c) To require the students to take and pass a comprehensive examination and obtain a seventy-five (75) percent pass rate; or

(d) To attend training programs required by the commission.

(3) Any school whose course approval has been withdrawn may apply to the commission for an opportunity to be heard in accordance with KRS Chapter 13B. The commission shall make a decision as to reinstatement of course approval.

Section 5. Monitoring. (1) A school shall permit monitoring by the commission or its authorized representative.

(2)(a) A school shall submit sample copies of projects submitted by students and graded by the instructor as an evaluation of the course.

(b) If the instruction or content of the projects is deficient, so as to impair the value of the course, a notice of deficiency shall be issued to the school.

(c) The school shall be given an opportunity to correct the deficiency within thirty (30) days.

Section 6. Incorporation by Reference. (1) "Brokerage Management Curriculum", 09/07 edition is incorporated by reference.

(2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the Kentucky Real Estate Commission, 10200 Linn Station Road, Suite 201, Louisville Kentucky 40223, Monday through Friday, 8 a.m. to 4:30 p.m. (28 Ky.R. 2117; Am. 2329; eff. 5-16-2002; 34 Ky.R. 843; 1946; eff. 3-7-2008; 36; Ky.R. 435; 1015; eff. 12-4-2009.)