

Announcements:

The next Commission meetings are scheduled for December 19th and February 20th, beginning at 9 a.m. These meetings are held at the KREC office and open to the public. However, if you plan to attend, please call the office to confirm the date and time. Click [here](#) for more information.

Reminder!

Please change any links you may have included in documents, courses, or other materials to reflect our new website located at www.krec.ks.gov. The old web address will only redirect until December 31, 2016.

Did you know?

The fee a license applicant submits to process fingerprints for the KBI/FBI background report was reduced from \$64.00 to \$60.00.

Earnest Money Deposit Requirements

Kansas license law requires that all financial obligations and commitments between the parties to an agreement to sell, exchange or lease real estate are in writing, expressing the exact agreement of the parties. If the contract states the earnest money is with the purchase contract, the money needs to be with the purchase contract when it is executed. If a purchase agreement provides the earnest money be held by an escrow agent other than a real estate broker, the purchase agreement and earnest money deposit must go to the escrow agent named in the purchase agreement.

This must occur within five business days after the purchase agreement is executed unless specifically provided by written agreement of all parties to the purchase agreement. In that case, the purchase agreement and earnest money deposit must be to the escrow agent on the date provided by such written agreement. The timely delivery of earnest money to the escrow agent is the responsibility of the listing broker. The responsibility falls on the broker assisting the buyer, if there is no listing broker. Always be sure the earnest money is handled properly and the purchase contract accurately reflects the exact agreement of the parties.

Broker Supervision

K.A.R. 86-3-31 is a new regulation that defines specific requirements for brokers who supervise a primary or branch office. These requirements include ensuring only licensed individuals are performing activities for the broker that require a license, addressing and taking corrective action against a licensee who violates the license law and ensuring all contracts, forms and advertising used by affiliated licensees are reviewed for accuracy and compliance.

The regulation also sets out defined standards and mitigating and aggravating factors the Commission would consider if they found the broker had failed to supervise their office. These factors include whether the broker has implemented policies and procedures, provided training and education and implemented management controls to prevent an affiliated licensee from violating real estate license law.

This regulation along with all other KREC statutes and regulations can be viewed [here](#).

Escalation Clauses Reminder

The license act does not prohibit an Escalation Clause to be included in an offer, however keep in mind the purchase contract agreed to by the buyer and seller MUST have a definite purchase price. KSA 58-3062(a)(12) states that "no licensee, whether acting as an agent, transaction broker or a principal, shall....Procure a signature to a purchase contract which has no definite purchase price, method of payment, description of property or method of determining the closing date."

Realtor.com featured an [article](#) on this type of offer and ARELLO wrote about it in a recent [issue](#).

Commission Spotlight

Connie O'Brien has been appointed to succeed Shirley Cook as the public member of the Commission. Mrs. O'Brien grew up in Kansas City, Missouri and has lived in Tonganoxie, Kansas for the past 37 years. She earned a B.A. in History from St. Mary University in Leavenworth. She and her husband, Edward, live on a small farm outside of Tonganoxie where they raised their 11 children. Mrs. O'Brien and her husband are the proud grandparents of 16 grandchildren. In 2008 Mrs. O'Brien ran for 42nd district Kansas House seat where she served the last 8 years. She is also serving her fourth year as Chair of the Children and Seniors committee. Mrs. O'Brien looks forward to her new career as a Commission member and is excited to learn about the Real Estate business.



In other news, Joseph Vaught was appointed to Chair of the Commission at the October 12 meeting. He replaces Sue Wenger who has served as Chair of the Commission since August 21, 2014. Bryon Schlosser was appointed to the Vice Chair.

Amendments to K.A.R. 86-1-5. Fees.

A public hearing will be conducted on February 20th during the Kansas Real Estate Commission meeting in Topeka to consider the adoption of a proposed regulation on a permanent basis. In addition, all interested parties may submit written comments prior to the hearing to KREC. Copies of the proposed regulation and the Economic Impact Statement for the proposed regulation can be viewed at the following website: <http://krec.ks.gov/legal-resources/legislative-regulatory-updates>

Renewal Reminders

| First Letter of Last name | Renewal Due Date | Expiration Date |
|---------------------------|------------------|-----------------|
| B | 11/30/2016 | 12/31/2016 |
| C | 01/31/2017 | 02/28/2017 |
| D-E | 03/31/2017 | 04/30/2017 |

The mission of the Kansas Real Estate Commission is to protect the public interest, which embraces both the interests of the regulated real estate licensees and the interests of consumers who use their services and products.

Commission Members

Joseph Vaught, Chair, 3rd District | **Bryon Schlosser**, Vice Chair, 2nd District
Errol Wuertz, 1st District | **Sue Wenger**, 4th District | **Connie O'Brien**, Member at Large