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Real Estate Commission

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Announcements:

The next Commission meeting is scheduled for 9:00am on October 15th at the Commission office in Topeka. This meeting is 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.

FVI:

Per **K.A.R. 86-1-11**, a licensee may receive a maximum of three hours of credit during a renewal period for Commission approved appraisal courses.

Supervising Brokers, Did You Know?

Transaction numbers must be assigned as outlined in **K.A.R 86-3-22**. An alternative method may be used after obtaining approval from the Commission.

Requests may be submitted by emailing krec@ks.gov. Incorrect or non-compliant TIN systems are a common violation found in compliance reviews. Obtaining permission can often prevent this violation from occurring.

Join the Party!
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Wire Fraud in Kansas

ARELLO recently published an article in their [August newsletter](#) (pg. 14) wherein the U.S. District Court upheld a jury's negligence verdict against a Kansas real estate agent and her brokerage company in a transaction-turned-nightmare due to escrow/closing wire fraud. This case is an important reminder of the need for all transaction participants to be diligent in their communication and be aware of the real threat of wire fraud during the closing process.

Security 1st Title Company created a [flyer](#) that highlights warning signs of cyber fraud. Help clients avoid theft by advising them to look for emails that may be fake and to call the title company if someone tries to change the original wiring instructions.

Proposed Regulations: Business Process Changes

A public hearing will be conducted on November 19, 2018 during the Kansas Real Estate Commission meeting in Topeka to consider the adoption of several proposed regulations that make changes to licensing business processes. These include:

- o Revisions to the expiration date for new licenses issued after January 1, 2019. The proposed change would set the license expiration date as the first day of the month of issuance two years after the issuance date. Any license issued prior to the effective date of the change would keep the same expiration date they currently have unless they change their license type or let their license lapse and must apply for a new license.
- o Increase the fee for submission of a broker application from \$15 to \$50 and the fee to open a primary or branch office from \$25 to \$100. Both fee increases are proposed to more accurately reflect the Commission's administrative costs to review broker applications and conduct compliance reviews on new offices.
- o Remove the requirement to report pending litigation and streamline reporting requirements for criminal offenses.

Prior to the hearing, all interested parties may submit written comments to the Commission. Copies of the proposed regulation and the Economic Impact Statement can be viewed on the Commission's [website](#).

KREC at the KAR Conference

The Commission will have a vendor booth at the [Kansas Association of REALTORS 2018 Annual Conference & Expo](#) in Overland Park on October 8-10. Commission staff looks forward to visiting with Kansas REALTORS. Stop by our table to grab several new resources and ask questions. A computer will also be available to help create or edit EGov accounts. There will be prizes and a drawing for a Kansas Magazine subscription!

Brokerage Record Retention Review

What documents must a broker maintain as a part of the brokerage records? Brokers are required to maintain all transaction files and trust account records. In compliance with the license act, BRRETA, and Commission regulations, each transaction file whether pending, closed or cancelled, should contain the following record (if applicable):

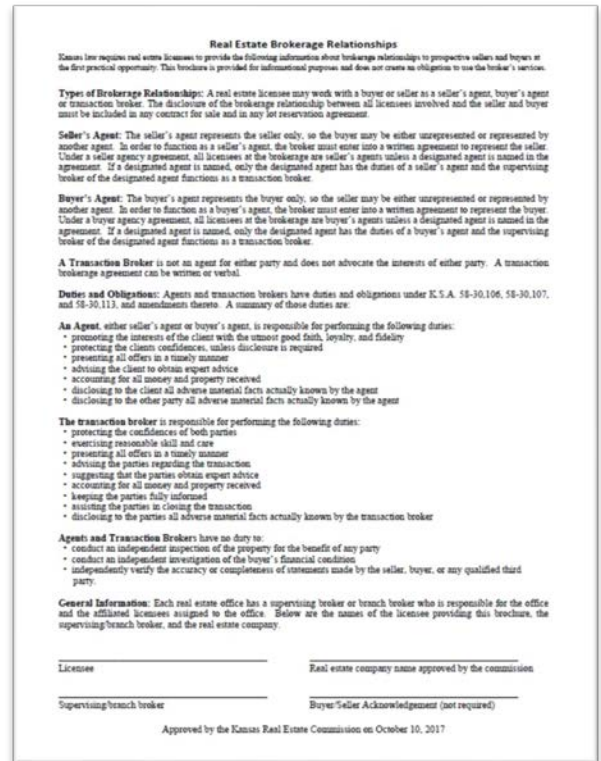
- o agency agreement with seller
- o agency agreement with buyer
- o transaction broker addendum
- o transaction brokerage agreement
- o offers and counteroffers
- o contract
- o lot reservation agreement
- o commercial lease
- o option
- o receipt for purchase agreement and earnest money
- o closing statements
- o authorization to disburse earnest money on a transaction which did not close
- o any other record generated in connection with the transaction

How long do I have to keep transaction files? Kansas license law requires the supervising broker to keep copies of records related to their real estate business for at least three years. A broker may want to check with their accountant and attorney to see if retaining the records for a longer period is recommended.

New Brokerage Relationships Disclosure Brochure

Are you using the right document? Your *Real Estate Brokerage Relationships brochure* should look like the picture to the right. In February 2018, the Commission approved changes to help clarify designated agency in addition to seller agency, buyer agency, and transaction brokerage. This new form should replace use of the old form immediately. The name of the supervising broker, the name of the licensee providing the document, and the name of the real estate firm are all required to be included on the document provided to the consumer.

Amendments to **K.A.R. 86-3-26** allowed for the revisions to help clarify the requirements based on statutes and regulations. A brokerage firm may produce their own version of this document if it contains the minimum disclosure requirements from the version adopted by the Commission. Visit the Commission [website](#) to obtain the most recent brochure located in the BRRETA section. All forms are fillable online.



Renewal Reminders

First Letter of Last name	Renewal Due Date	Expiration Date
W-X-Y-Z-A	09/30/2018	10/31/2018
B	11/30/2018	12/31/2018
C	01/31/2019	02/28/2019

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

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