

**Broker
Sales Meeting
Packets**



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**2002 Rules and Regulations
Revised and Improved**

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1. What was the impetus behind revising the administrative rules?

- A. The old rules were junk.
- B. The Association of Real Estate License Law Officials (ARELLO) required mandatory language be adopted.
- C. To comply with the Governor's Executive Order 8, all agencies, including the Iowa Real Estate Commission, had to critique and update their rules.
- D. Funding was provided to computerize new administrative rules

2. The revised Iowa Administrative Rules – Chapter 193E

- A. Have been reduced from 20 chapters to 8 chapters
- B. Have increased from 8 chapters to 20 chapters
- C. Have deleted over 55 antiquated rules
- D. Have inserted over 55 new rules

3. The rules are scheduled to become effective:

- A. They already became effective July 1, 2002
- B. When they were noticed by the real estate commission at their June 20, 2002 meeting
- C. Where the administrative rules process is through October 9, 2002
- D. January 1, 2003

4. A new administrative rules chapter addresses:

- A. Closing a real estate brokerage – Chapter 8.
- B. Opening a real estate brokerage – Chapter 8.
- C. Getting rid of unwanted clients/consumers – Chapter 8.
- D. Getting rid of unwanted real estate licensees – Chapter 8.

5. Brokerage agreements Rule 11.7 new construction requires

- A. Licensees, when working with a builder, provide a written disclosure of their agency relationship
- B. Licensees, when working with a builder, provide written disclosure if they will receive any commission, compensation, or valuable consideration if they sell the builders home.
- C. Contracts with builders to improve land are considered real estate contracts subject to administrative rules regarding real estate.
- D. All the Above

6. Revised rules are available for download at:

- A. ARELLO.com
- B. www.state.ia.us/irec
- C. IowaRealEstateCommision.com
- D. www.legis.state.ia.us - June bulletin

7. Effective July 1, 2002 Iowa Code chapter 543B.3 Activities of a real estate licensee were amended and expanded the authority of real estate licensees to:

- A. prepare residential and agricultural rental agreements
- B. prepare commercial rental agreements of one year or less
- C. prepare offers to purchase or purchase agreements
- D. prepare any modifications, amendments, or addendums to these documents
- E. All of the Above

8. On May 23, 2001 the Iowa Supreme Court required consumers give express written permission for non-lawyers to prepare and complete real estate related documents. Since the Iowa Legislature passed the document preparation bill effective July 1, 2002, is the extra “permission” language, either as a separate form or inserted into real estate forms, required by real estate licensees?

- A. Yes, absolutely.
- B. No, the new law provides blanket coverage for any documentation we may prepare or fill in.
- C. Depends.
- D. I don't know for sure, but to be safe will keep the language in all forms we use.

9. The Iowa Real Estate Commission has the power to fine up to

- A. \$1,000 in total for violations
- B. \$1,000 per violation
- C. \$2,500 per violation
- D. As much as any private trade association (such as the National Association of REALTORS) may fine, which NAR has recently increased to \$5,000

10. With a new law July 1, sex offenders who move or whose name are added to a sex offender registry after July 1,2002, whose victims were children, may not live within:

- A. 2,000 yards of the victim
- B. 2,000 feet of a school
- C. 2,000 yards of a child care center
- D. 2,000 feet of a mall

Questions w/Answers

1. What was the impetuous behind revising the administrative rules?

- A. The old rules were junk.
- B. The Association of Real Estate License Law Officials (ARELLO) required mandatory language be adopted.
- C. **To comply with the Governor's Executive Order 8, all agencies, including the Iowa Real Estate Commission, had to critique and update their rules.**
- D. Funding was provided to computerize new administrative rules

Answer = C. Governor Vilsack issued the order to assist ensuring all rules are clear to the public and government is operating efficiently

2. The revised Iowa Administrative Rules – Chapter 193E

- A. Have been reduced from 20 chapter to 8 chapters
- B. **Have increased from 8 chapters to 20 chapters**
- C. Have deleted over 55 antiquated rules
- D. Have inserted over 55 new rules

Answer = B. Most of the rules have been reformatted and narrowed to chapters, which specifically address the topic. There has not been much changes in substance to the rules, but there has been significant editorial changes.

3. The rules are scheduled to become effective:

- A. They already became effective July 1, 2002
- B. When they were noticed by the real estate commission at their June 20, 2002 meeting
- C. **Where the administrative rules process is through October 9, 2002**
- D. January 1, 2003

Answer = C. Barring unforeseen circumstances, the rules should be effective Oct. 9.

4. A new administrative rules chapter addresses:

- A. **Closing a real estate brokerage – Chapter 8.**
- B. Opening a real estate brokerage – Chapter 8.
- C. Getting rid of unwanted clients/consumers – Chapter 8.
- D. Getting rid of unwanted real estate licensees – Chapter 8.

Answer = A. This chapter was specifically added to assist those small companies, which are in a quandary with the death or retirement of the principal broker.

- 5. Brokerage agreements Rule 11.7 new construction requires**
- A. Licensees, when working with a builder, provide a written disclosure of their agency relationship
 - B. Licensees, when working with a builder, provide written disclosure if they will receive any commission, compensation, or valuable consideration if they sell the builders home.
 - C. Contracts with builders to improve land are considered real estate contracts subject to administrative rules regarding real estate.
 - D. **All the Above**

Answer = D. Licensees working with builders should make sure their relationship is crystal clear to any member of the public building a home.

6. Revised rules are available for download at:

- A. ARELLO.com
- B. **www.state.ia.us/irec**
- C. IowaRealEstateCommision.com
- D. **www.legis.state.ia.us - June bulletin**

Answer = B and D

7. Effective July 1, 2002 Iowa Code chapter 543B.3 Activities of a real estate licensee were amended and expanded the authority of real estate licensees to:

- A. prepare residential and agricultural rental agreements
- B. prepare commercial rental agreements of one year or less
- C. prepare offers to purchase or purchase agreements
- D. prepare any modifications, amendments, or addendums to these documents
- E. All the Above

Answer = E - All the above are correct.

8. On May 23, 2001 the Iowa Supreme Court required consumers give express written permission for non-lawyers to prepare and complete real estate related documents. Since the Iowa Legislature passed the document preparation bill effective July 1, 2002, is the extra “permission” language, either as a separate form or inserted into real estate forms, required by real estate licensees?
- A. Yes, absolutely.
 - B. No, the new law provides blanket coverage for any documentation we may prepare or fill in.
 - C. Depends.
 - D. I don’t know for sure, but to be safe will keep the language in all forms we use.

Best Answer is D. Remember the Iowa Supreme Court, the judicial branch, regulates the practice of law and issued the rule requiring the “permission slip”, whereas the Iowa Legislature, the Legislative branch, regulates the practice of real estate and does not require the extra language. Since it is unknown for sure what some document preparation is (the practice of law vs. the practice of real estate) it would be prudent to keep the language in to avoid not complying with the judicial branch of government.

9. The Iowa Real Estate Commission now has the power to fine up to:
- A. \$1,000 in total for violations
 - B. \$1,000 per violation
 - C. \$2,500 per violation**
 - D. As much as any private trade association (such as the National Association of REALTORS) may fine, which NAR has recently increased to \$5,000

Answer = C. The new law increased the per penalty violation from \$1,000 to \$2,500.

10. With a new law July 1, sex offenders who move or whose name are added to a sex offender registry after July 1,2002, whose victims were children, may not live within:
- A. 2,000 yards of the victim
 - B. 2,000 feet of a school**
 - C. 2,000 yards of a child care center
 - D. 2,000 feet of a mall

Answer B – The Law also prohibits sex offenders from residing within 2000 feet of a childcare center.