

Kentucky Real Estate NEWS

The Revised Seller's Disclosure of Property Condition Form Became Effective on May 6, 2016

By: Rhonda K. Richardson
General Counsel

On May 6, 2016, the amendments to the Seller's Disclosure of Property Condition regulation and form became effective. The revised form can be found on the KREC website under "Hot Topics." At the May 21, 2016 meeting, the Commission voted to delay the enforcement of the mandatory use of this form until September 1, 2016, to allow licensees an opportunity to utilize the forms they have and to restock with the new forms. However, immediate use of the form is encouraged, if this is not an issue, because the new form does require three new disclosures. It also defines "single-family residential real estate dwelling," and changes the terminology used to reference "flood plain" to "special flood hazard zone" and changes "roof" to roof covering (see, *Winter 2016 Newsletter, Issue No. 225, page 5*). In addition, formatting changes have added a "not applicable" (N/A) option and made the form easier to read. Frequently-asked questions regarding the revised Seller's Disclosure of Property Condition Form (SDF) are:

- "Do licensees have to go back to all active listings and get an updated SDF, or is it [the new SDF] just for contract listings signed on or after May 6th?"

The revised form should be used for transactions commencing on or after the effective date of May 6, 2016. Enforcement of the use of the revised form will begin September 1, 2016.

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Comments from the Chair

by: **Kimberly Sickles,**
Chair



The Purchase Price Requirement in 201 KAR 11:250, Section 2(1) & The Use of an Escalation Clause “Revisited”

As the housing market continues its recovery, competition for homes is also likely to increase. In a “hot” market, properties move fast and some buyers seek ways to make their offer stand out from the rest. The Kentucky Real Estate Commission (KREC) has received inquiries from licensees regarding whether the use of an escalation clause in an offer to purchase violates the requirement in 201 KAR 11:250, Section 2(1), which states that any offer to purchase, written by a licensed agent, must include a “purchase price.”

So what is an “escalation clause” in an offer to purchase, one might ask. An escalation clause in an offer serves to automatically increase the purchase price in the offer to an amount specified, should the seller receive another higher offer before their offer with the escalation clause expires. For example, a simple escalation clause might state: *I will pay \$100,000 for your property or \$1,000 more than any other bona fide offer submitted to Seller before the expiration of this offer.* Some of the arguments for and against use of an escalation clause that the KREC received and considered were:

- *Only the buyer with the escalation clause would have a fair shot at purchasing the property, and all buyers should be on a level playing field.*
- *An offer with an escalation clause provides a calculable purchase price and complies with the regulation.*
- *Use of an escalation clause in an offer does not create a binding contract, because it would be an offer with a term left to negotiate and, thus, would not comply with the regulation.*
- *Use of an escalation clause in an offer to purchase is governed by principles of contract law. It would be up to the buyer whether to make such an offer, and up to the seller whether to accept or reject such offer.*
- *Licensees have a duty to follow the lawful instructions of their clients. Parties should be free to enter into a contract on terms that are satisfactory to them.*

In 2005, the escalation clause issue was addressed in an article in the 2005 Fall edition of the KREC newsletter (Issue No. 201, page 8). That article is entitled *“Escalating Clauses” Do Not Comply with License Law.*

After revisiting the issue, at its March 24, 2016 meeting, the KREC issued the following advisory opinion:

The use of an escalation clause in an offer to purchase does not violate real estate license law so long as the purchase price is calculable before the expiration of the offer. The KREC therefore retracts the opinion provided in the 2005 Fall edition of the KREC newsletter (Issue No. 201). While the use of escalation clauses is now permissible, licensees are cautioned that escalation clauses that are not carefully drafted can have unintended consequences. They should, therefore, be drafted by, or in consultation with, an attorney-at-law. It is also important to keep in mind that the highest price offer is not always the best offer received, as price is just one factor the seller may be asked, or want to consider.

***The KREC will be
closed on:***

***September 5, 2016
Labor Day***

***November 8, 2016
Presidential Election***

***November 11, 2016
Veterans Day***



From the Director's Desk

By: Michael W. Wooden,
Executive Director

LICENSEE SAFETY

Awareness is the Greatest Agent for Change

I recently had the opportunity to attend a presentation relating to real estate agent safety hosted by the Stockton Mortgage Corporation. The featured presenter was Carl Carter, Jr., son of Beverly Carter, an Arkansas real estate agent who was kidnapped and found murdered after showing a home. This kidnapping and homicide received national attention in 2014, both by the news media and in a *Dateline NBC* documentary. Beverly Carter's killer was captured and found guilty in her murder and sentenced to life in prison.

Mr. Carter is currently traveling the country to tell Beverly's story and to make real estate agents aware of the risks they may encounter in fulfilling their professional responsibilities, on behalf of their clients. The complete story of Beverly Carter can be found in the June-July Issue of *Extol Magazine – Celebrating Southern Indiana*, [extolmag.com], in an article entitled, "Lessons Learned – A Son Painfully Recounts His Mother's Kidnapping and Murder" by Steve Kaufman.

The nature of real estate sales makes licensees easy targets and places licensees at great risk.

Real estate sales persons are routinely in situations of being in homes and automobiles often with new customers and complete strangers. While every situation cannot be prevented, taking certain precautionary measures could prove to be life-saving, including:

1. Have a procedure in place for new clients. Always meet new prospects at your office prior to showings when your colleagues and co-workers are nearby. Have the client complete a prospect identification form providing their name, address, telephone number, vehicle make and model, and license number. Make sure to verify the information provided by the prospect. Also, make a photo copy of client's driver's license.
2. Whenever possible, take a co-worker or fellow agent with you to vacant listings and open houses. Be familiar with your listings by walking through the property prior to showings. Plan escape routes, leave doors open, avoid attics and basements, and always walk behind the client.
3. Keep your cell phone charged and immediately available to you. If available, install software on your smartphone that has tracking capabilities and emergency notification features that allow your location to be immediately identified by your local 911 call center. Also, a new trend is wearable technology such as watches and jewelry.
4. Avoid advertising a property as vacant. Conduct your showings or open houses during day-light hours. Keep your profile professional and avoid giving out personal information. Refrain from wearing expensive jewelry and wear shoes that will allow a quick escape. If possible, consider taking separate cars to showings and open houses and park in areas nearby to the property and avoid being blocked-in by your client.



Kimberly Sickles, Chair



Dana Anderson, Vice-Chair



Bob Roberts



Tom Biederman



Tom Waldrop

KREC “HOTLINE” FAQs

Seller’s Disclosure Form: The Completion & Delivery Requirements

By: Y. Denise Payne Wade
KREC Staff Attorney



QUESTION:

“I have a listing contract. When must the Seller’s Disclosure of Property Conditions Form be completed and what are the delivery requirements?”

ANSWER:

KRS 324.360 sets out the timing requirements for the completion and delivery of the Seller’s Disclosure of Property Conditions Form (“SDF”). It should be noted that the SDF requirements that apply to listed property differ from those that apply to unlisted property. See KRS 324.360 for the SDF timing requirements for unlisted property. The following is a breakdown of the requirements for listed property only.

SDF Timing Requirements for LISTED Property:

- A. **At the time a listing agent executes any listing agreement (or similar agreement),** the listing agent must:
 - 1. DELIVER a blank SDF to his or her seller-client for the client to complete and sign; and
 - 2. SOLICIT the initials of all property owners-sellers, along with the date and time for the initialing, on the SDF.
- B. **Upon request,** a listing agent must PROVIDE a copy of the SDF to any prospective buyer or buyer’s authorized representative.
- C. **Within 72 hours (3 days) of the listing agent’s receipt of a written and signed offer to purchase,** a listing licensee must:
 - 1. DELIVER the SDF to any prospective buyer or the buyer’s representative;
 - 2. SOLICIT the buyer’s signature on a copy of the SDF; **and**
 - 3. RETAIN a copy of the signed SDF in his or her principal broker’s records; or RECORD the buyer’s refusal to sign the SDF and RETAIN a copy in his or her principal broker’s records, if applicable. (Note: The original SDF must be retained by the listing agent’s principal broker.)

Important Reminder:

The SDF is not required for: (1) residential purchases of new construction homes, if a written warranty is provided; (2) sales of real estate at an auction; or (3) a court-supervised foreclosure. It only applies to sales and purchases involving a “**single-family residential real estate dwelling.**” That term is defined in 201 KAR 11:350 Section 1, as “any: (1) Duplex, triplex, fourplex; condominium, townhouse, or residential unit; (2) Manufactured home permanently attached to land; or (3) Residential unit otherwise conveyed on a unit-by-unit basis, even if the unit is part of a larger building or parcel of real estate containing more than four (4) residential units.”

Seller's Disclosure of Property Condition Form

Continued from Page 1

- “I have always been under the impression that anywhere there are signatures or initials, there must be a date and a time. On the back page of the revised form, where the seller and the buyer sign, there is a place for the date, but not the time. So, is that not required?”
The bottom of the last page has the place for the initials, date, and time consistent with all other pages. Completing this section on the last page will suffice.

- “After a property is listed and the Seller becomes aware of an issue, they typically redo the Sellers disclosure, delete the old one, and submit a new one to the MLS. There is a sentence that was added on the last page that says, “Seller agrees to immediately notify buyer of any changes that may become known to Seller prior to closing by providing a written addendum hereto.” So, does this sentence only apply to a situation where there is an accepted offer and then something changes or should they be doing an addendum to the original disclosure any time there is a change, instead of redoing it each time there is a change?”

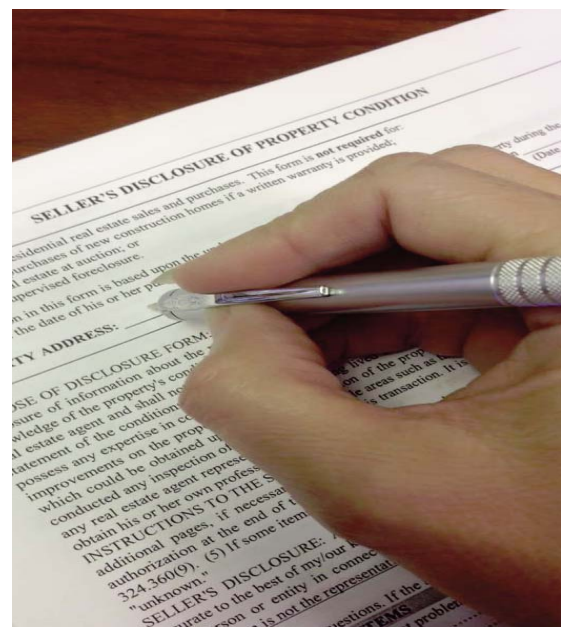
The quoted sentence in the above question was not “added.” It was simply amended to include the following additional new language, “by providing a written addendum hereto.” An addendum, disclosing changes that became known to the seller prior to closing, is required to be provided to any person to whom it was previously provided upon request, or to whom it was provided after a written and signed offer. Note, the regulation requires an “addendum,” not a new SDF. The addendum updates the original SDF and does not replace it. Although the MLS may necessitate deletion of the original uploaded SDF, 201 KAR 11:062 requires that all records related to the transaction be preserved for five years.

- “The way the regulation is written tells me that if I sell an entire building that is either a duplex, triplex, or a four-unit building, then the seller disclosure form is required. Is that correct?”

That is correct. The form should be used for these types of dwellings as they house single families. The owner may complete one form for the whole building or complete separate forms for each unit if that would provide more detailed disclosure. For instance, when one unit has had more repairs than another, a separate form for each unit may be more appropriate.

- “How do I obtain a copy of the new “Revised” form?”

The form can be found on the KREC website (www.krec.ky.gov). Simply click on the “Legal” tab and then click on “Forms and Contracts.” The form is #M105 and it can be downloaded under the “Miscellaneous” section. It can also be found under the “Hot Topics” link on the KREC website homepage.



Post License & Continuing Education Q & A

Question - I was issued an active new sales associate license on February 8, 2016. What are my deadlines to complete my post license education (“**PLE**”) and my continuing education (“**CE**”)?

Answer - You must complete forty-eight (48) classroom or online hours of Commission-approved **PLE** by February 8, 2018, and you must complete six (6) hours (three (3) of which must be in law) of Commission-approved **CE** by December 31, 2018. However, if you take a course that can receive either **CE** or **PLE** credit, the course will be applied to your **PLE** requirement first because your **PLE** deadline is earlier than your **CE** deadline. Once your **PLE** requirements have been satisfied, a course that can receive either **CE** or **PLE** credit will be applied to your **CE** hourly requirements or you can take a **CE** only credit course anytime during 2018.

Question - Continuing from the question above, do any of my **PLE** hours count toward my **CE** hour requirements?

Answer - No, a licensee must complete forty-eight (48) **PLE** hours and an additional six (6) **CE** hours.

Question - I was licensed as a sales associate on April 6, 2016 and practiced for several months, but recently placed my license in escrow. Do I still have to complete my **PLE** and my **CE**?

Answer - Your **PLE** deadline does not stop and you must complete forty-eight (48) hours by April 6, 2018. However, you are not required to complete continuing education while your license is in escrow.

Question - Continuing from the question above, what if I decide to activate my license later, do I have to complete **CE** prior to coming out of escrow?

Answer - You were licensed on April 6, 2016, and you are exempt from **CE** for your first two (2) calendar years. If you activated in 2016 or 2017, you would **not** be required to complete **CE** in order to activate. However, if you activated in 2018, you **would** be required to complete six (6) hours of **CE** before being able to come out of escrow.

Question - I was newly licensed on September 21, 2015 as a sales associate. Am I exempt from **CE** during my first two (2) calendar years?

Answer - No, the 2-year exemption from **CE** only applies to new sales associate licensees who received an initial license on or after January 1, 2016. A new sales associate licensee licensed in 2015, who is active, does not have a 2-year **CE** exemption and would be required to complete **CE** by December 31, 2016.

Question - I was newly licensed active broker in 2016. Am I subject to **PLE** and **CE**?

Answer - A broker is not subject to the **PLE** requirements since KRS 324.085 (2) only requires initial sales associate licensees to complete **PLE**. However, as a broker, you are exempt from **CE** your first calendar year in which you were initially licensed. The 2-year exemption that was effective on January 1, 2016 applies only to sales associates licensed after January 1, 2016. Your **CE** hours would need to be completed between January 1, 2017 and December 31, 2017.

Question - I am taking classes and hope to be licensed as an active sales associate by December 1, 2016. What will be my **PLE** and **CE** deadlines?

Answer - Your **PLE** deadline will be December 1, 2018. Your **CE** deadline will be December 31, 2018. Remember, you can take the necessary course(s) for **CE** credit at any time during 2018. You do not have to wait until December to complete this requirement. However, if you take a course that can receive either **CE** or **PLE** credit, the course will be applied to your **PLE** requirement first because your **PLE** deadline is before your **CE** deadline. Once your **PLE** requirements have been satisfied, a course that can receive either **CE** or **PLE** credit will be applied to your **CE** requirements or you can take a **CE** only credit course anytime during 2018.

**AN INVESTMENT IN
KNOWLEDGE ALWAYS
PAYS THE BEST
INTEREST**

-Benjamin Franklin

The Date By Which The Closing Shall Occur - 201 KAR 11:250, § 2(6)

By: *Rhonda K. Richardson*
General Counsel

201 KAR 11:250, Section 2(6), states: “An offer to purchase or a counteroffer prepared by or at the direction of a licensed agent shall include...the date by which the closing shall occur and when possession shall be given to the buyer.” Does this regulation require the offer to purchase contract to include a “specific” date for closing to occur? Or, does a “range of days” for closing, such as “will close between 50 and 75 days from date of acceptance,” suffice? This question was sent to the Commission by real estate broker Charlie Collier with a request for interpretation of this regulation.

At its May 21, 2016 meeting, the Commission considered the many implications of requiring a “fixed date” as opposed to a “clearly-defined or identifiable” date to close. It was noted that

the exact day of closing is often determined by the lender, despite the date specified in the contract. It was also discussed that, under contract law, either a specific date or a calculable date would be valid and enforceable. Even with a date certain, courts will apply a “reasonableness” standard in determining whether a breach of the contract has occurred because a deadline was not met. When the contract contains a “time is of the essence” clause related to a date, a breach would occur if the closing does not occur by the specified date.

After considering all these factors, the Commission interpreted the regulatory requirement for a “date by which the closing shall occur” to mean either a date certain for the closing or a range of dates that can be calculated on the date of the acceptance of the contract.

July Commission Meeting Coming to Lexington, Kentucky

The majority of Commission meetings are held at the Commission offices in Louisville and licensees are always encouraged to attend. But, in order to give licensees in other areas of the state a convenient opportunity to attend a meeting, one meeting a year is scheduled remotely. This gives licensees a chance to see what happens in a meeting and it affords the Commission a chance to get to know and hear concerns from licensees and industry experts.

The 2016 remote Commission meeting is being held at the Griffin Gate Marriott Resort in Lexington, KY on **July 21, 2016**. The meeting will begin at 9:00 a.m. in the Spendthrift Meeting Room. There is an open forum portion of the meeting that allows attendees to make comments to the Commission. Please mark your calendars and make plans to attend!



From the Director's Desk

Licensee Safety – Awareness is the Greatest Agent for Change

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These are a few of the many safety precautions real estate agents should take in conducting your normal work day. The Kentucky Real Estate Commission, in partnership with the Kentucky Association of Realtors, has developed a real estate licensee safety brochure, which is available on the KREC website: www.krec.ky.gov. The brochure is located under the “Additional Resources” tab in the legal section of the website.

The brochure contains an extensive compilation of practical safety tips for real estate

licensees. The Kentucky Association of REALTORS® website [www.kar.com] provides safety information under the “Education” tab. In addition, the National Association of REALTORS® has available safety information for licensees, including educational materials and training guides that can be utilized by real estate educators and brokerages as part of their professional development programs. These materials and resources can be obtained by visiting the NAR website [www.realtor.org] and accessing NAR’s REALTOR® Safety Program.

Remember, it’s easy to get complacent. While there is no way to eliminate every potential risk or dangerous situation, you can enhance your awareness by taking proactive safety actions to avoid being in a vulnerable situation. As stated by Mr. Carter, “awareness is the greatest agent for change.”



KREC supports the Real Estate Agent Safety Event on June 22, 2016 at the Crowne Plaza in Louisville

Pictured left to right: Executive Director Michael Wooden, Commissioner Kim Sickles, Carl Carter (son of Beverly Carter), Administration Director Shelly Saffran, General Counsel Rhonda Richardson, and Commissioner Dana Anderson.

NEW FBI Fingerprint Process Running Smoothly

In late 2015, the KREC transitioned to a new FBI Fingerprint process in conjunction with the Kentucky State Police (“KSP”). Processing of fingerprint cards went from a wait time of about four (4) months to about ten (10) business days. This new process greatly improves wait time for new applicants, as well as processing time for the Commission.



However, this process will take much longer if applicants do not follow ALL of the instructions. Incomplete fingerprint cards will not be processed.

FINGERPRINTING TIPS

1. Applicants should print off the “Fingerprinting Instruction Sheet” from the KREC website and take it with them to be fingerprinted. It contains required information. The required “ORI Number” is **KY920229Z** and the “Reason Fingerprinted” is **KRS 324.045 Real Estate License**.
2. Applicants must be fingerprinted and the completed fingerprint card, along with a check or money order for \$34.75, must be mailed or delivered to the Kentucky State Police, Records Branch, 1266 Louisville Road, Frankfort, KY 40601. This must be completed prior to scheduling the real estate exam. Applicants may test while they are waiting on their FBI Background Report to be returned to the KREC.
3. Fingerprinting is free at all Kentucky State Police (“KSP”) post locations, but there is a \$34.75 (check or money order only) processing fee that must be submitted to the KSP in Frankfort, along with the completed fingerprint card. Other fingerprinting locations charge varying fingerprinting fees in addition to the \$34.75 processing fee.
4. Applicants are encouraged to use the services of the KSP post locations for fingerprinting whenever possible. Although there are many other fingerprinting services available, there is a greater chance of the fingerprints being rejected from them because individuals may not have been trained in those locations. The KSP staff are trained to do fingerprinting and they have the appropriate cardstock available at most locations.
5. Applicants should verify that the KREC has received the applicant’s FBI Background Check. Applicants should wait ten (10) business days after submitting payment and the fingerprint card to the KSP, before contacting KREC Staff Member Lucie Duncan by email at **lucie.duncan@ky.gov**. She will be able to verify that the KREC has received the applicant’s FBI Background Check. The KREC does not receive applicant contact information from the FBI. If the applicant’s fingerprints are rejected, the KREC will be unable to contact the applicant, as we only receive a name and a date of birth.
6. If the applicant’s FBI Background Report reveals any felony convictions or any misdemeanors within the last five (5) years, the report will be submitted to the KREC Legal Department for a review. This process could require an investigation and/or a hearing, which would delay the application process and the applicant could possibly be denied licensure.



Disciplinary Actions

**Maxwell A. Minzenberger**

Case No. 14-0078
(Louisville)

Violation: Mr. Maxwell A. Minzenberger stipulated that he violated KRS 324.160(4)(j) for being convicted of multiple felonies while being licensed.

Disposition: Mr. Minzenberger agreed to have his license changed from “escrowed” to “suspended” from the date of the Agreed Order until February 18, 2019. Within ninety (90) days after the suspension expiration on February 18, 2019, Mr. Minzenberger will not be allowed to activate his license unless he completes the 6-hour Kentucky Core Course; submits proof that he has successfully completed the court-ordered probation he received for his felony convictions; and pays all necessary renewal and transfer fees as required by KRS 324.287.

Stephanie Jones

Case No. 15-0033
(Louisville)

Violation: Ms. Jones was found in default for failing to comply with the Continuing Education Delinquency Plan, as executed by her on February 6, 2015.

Disposition: Ms. Jones’ license is suspended for six (6) months and she will not be allowed to activate her license

unless, within ninety (90) days of the expiration of her six (6) month suspension period, she completes her currently year’s continuing education requirements; submits the required documents to reinstate her license, and pays all necessary renewal and transfer fees as required by KRS 324.387.

Linda K. Ferguson

Case No. 14-0019
(Greensburg)

Violation: Ms. Linda K. Ferguson stipulated to an unintentional failure to comply with agency disclosure requirements in 201 KAR 11:400 and an unintentional failure to satisfy the 201 KAR 11:121 fiduciary duties of reasonable care and diligence in real estate involving a contract for deed.

Disposition: Ms. Ferguson agreed to pay a fine in the amount of one thousand dollars (\$1,000.00) and to complete three (3) hours of continuing education, in agency law within twelve (12) months, in addition to any hours she is otherwise required by law to complete. She may alternatively, complete the Commission’s 6-hour Core Course. She also agreed to accept a formal reprimand.

Carla J. Short

Case No. 14-0028
(Fisherville)

Violation: Ms. Carla J. Short stipulated that she violated KRS 324.160(4)(t) by inadvertently failing to timely pay an agreed-upon fine imposed by the Commission in a separate case.

Disposition: Ms. Short agreed to pay a fine to the Commission in the amount of five hundred dollars (\$500.00), within thirty (30) days of the Agreed Order and to successfully complete the Commission’s 3-hour Post-License Education (PLE) Compliance Course within twelve (12) months, in addition to any education hours she is otherwise required to complete.

Nicole A. Irwin

Case No. 14-0081
(Maineville, OH)

Violation: Ms. Nicole A. Irwin stipulated to a violation of KRS 324.160(4)(t) by failing to timely pay an agreed-upon fine imposed by the Commission and by failing to timely file a Sworn Answer in this case, pursuant to KRS 324.151.

Disposition: Ms. Irwin agreed to pay a fine in the amount of five hundred dollars (\$500.00) and to successfully complete the

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Disciplinary Actions

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Commission's 3-hour Post-License Education (PLE) Compliance Course, in addition to any education hours she is other required to complete. The course shall be completed within twelve (12) months.

Tiffany S. Nelson

Case No. 14-0086
(Owensboro)

Violation: Ms. Tiffany S. Nelson stipulated to a violation of KRS 324.160(4)(j) for pleading guilty to a felony.

Disposition: Ms. Nelson agreed to pay a fine in the

amount of five hundred dollars (\$500.00).

D. Michelle Euton

Case No. 13-0074
(South Portsmouth)

Violation: Ms. D. Michelle Euton stipulated to a violation of KRS 324.160(4)(t) for inadvertently failing to notify the Commission of her January 2013 residence address change.

Disposition: Ms. Euton agreed to pay a fine to the Commission in the amount of two hundred fifty dollars (\$250.00) and to complete the Commission's 3-hour Post-License Education Compliance Course, in addition to any education hours that she may otherwise be required to complete.

Mr. Charles Euton

Case No. 13-0074
(Stout, OH)

Violation: Mr. Charles Euton stipulated to a violation of KRS 324.160(6) for failing to exercise adequate supervision over D. Michelle Euton's activities to ensure she follows license laws.

Disposition: Mr. Euton agreed to pay a fine to the Commission in the amount of two hundred fifty dollars (\$250.00) and to complete the Commission's 3-hour Post-License Education Compliance Course, in addition to any education hours that he may otherwise be required to complete.



Kentucky Association of REALTORS® is Now Accepting Commissioner Applications

Any real estate licensee wishing to be considered for a 4-year term as a Kentucky Real Estate Commissioner should submit an application form to the Kentucky Association of REALTORS®.

Deadline for submission is Friday, July 29, 2016, to KAR, by mail (2801 Palumbo Drive, Suite 202, Lexington KY 40509) or by e-mail (see e-mail address below).

Candidate interviews will be held in Lexington.

The application form and detailed requirements are available at www.kar.com by clicking on "Member" and then "Elections." To qualify, one must have been a resident of the Commonwealth for 10 years and have held a Kentucky Real Estate license for 10 years.

Questions may be directed to David Harris at dharris@kar.com or call 1-800-264-2185.

Steve Stevens Named CEO for the Kentucky Association of REALTORS®

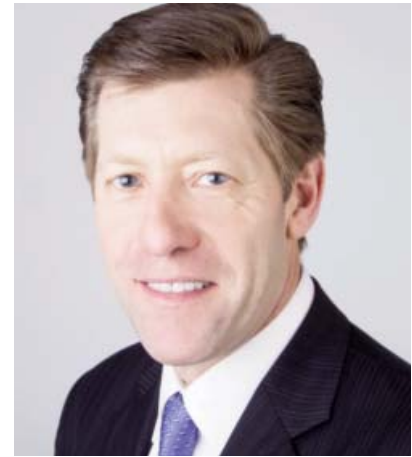
The Kentucky Association of REALTORS®, representing more than 9,600 REALTORS®, has named Mr. Steve Stevens as its Chief Executive Officer. The appointment was effective May 17, 2016.

Stevens had most recently been president and chief executive officer of Greater Spokane Incorporated (GSI), the 1,200-member chamber of commerce and economic development agency for eastern Washington.

Prior to joining GSI, Stevens served for eight years as president and chief executive officer of the 2,000 member Northern Kentucky Chamber of Commerce located in Ft. Mitchell. He also served as the Chamber's Senior Vice

President of Public Affairs, which included working more than 12 years advocating for pro-business issues, as well as serving as the Chamber's legislative agent/lobbyist in Frankfort. He also served for three years as the Director of Government Affairs for the Kentucky Chamber of Commerce.

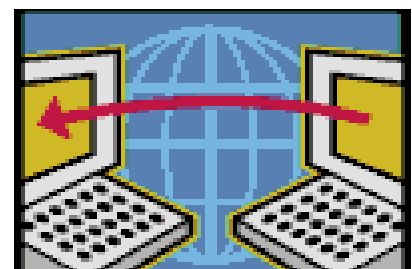
Stevens is a graduate of the University of Kentucky, the Institute for Organization Management, the Center for Creative Leadership and Leadership Kentucky. He and his wife, Marilyn, have two sons, Stewart and Logan. Stewart is also a University of Kentucky graduate, and Logan recently graduated from Virginia Tech University in Blacksburg, Virginia.



The commissioners and staff of the Kentucky Real Estate Commission welcome Mr. Stevens back to Kentucky. We extend our congratulations on his appointment as KAR's Chief Executive Officer. We look forward to continuing the positive relationship we have maintained with KAR, working on legislative, regulatory, and education issues and initiatives for the benefit of all Kentucky real estate licensees and consumers.

INTERNET ADVERTISING RULES APPLY TO SOCIAL MEDIA AND TEAM ADVERTISEMENTS!

201 KAR 11:420



Any Internet advertisement of real property, or an advertisement offering or soliciting to provide real estate brokerage services, must include the name of the real estate company or the name of the principal broker with whom the licensee is affiliated. This includes social media sites such as FACEBOOK, TWITTER, LINKED-IN, etc. Team advertisements must also comply.

(The Commission will be amending the advertising laws in KRS 324. 105, KRS 324. 117, and 201 KAR 11:420, which is necessitated by the advancements in the industry and the internet. Your comments and suggestions would be appreciated and should be sent to Rhonda.Richardson@ky.gov.)

Kentucky Real Estate Commission

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Louisville, KY 40223
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Fax: 502-429-7246
Web Site: www.krec.ky.gov

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Kimberly Sickles, Chair
Louisville

Dana Anderson, Vice-Chair
Louisville

Bob Roberts
Richmond

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Denise Wade, Staff Attorney
Patricia Farris
Lucie Duncan

Administrative

Shelly Saffran
Director of Administration

Mary O'Wheatley
Tracy Delgado
Dianna Rogers

Licensee Education Requirements Explained



Continuing Education - Required to be completed on calendar-year basis (January 1 - December 31).

Active licensees are required to take six (6) hours of continuing education (three (3) of which must be in law) on a calendar-year basis. Hours cannot be carried over to the next year. Sales associates, who were licensed prior to January 1, 2016, and all broker-issued licensees are exempt from continuing education during their first calendar year of licensure. Sales associates, who were issued a license on or after January 1, 2016, are exempt from continuing education during their first two (2) calendar years of licensure. All licensees who were licensed prior to June 19, 1976, are exempt from continuing education. Continuing education providers can be found on the KREC website. Continuing education course schedules are not available on the KREC website. Licensees must contact the providers directly.

Kentucky Core Course - Required to be completed once every four years (January 1 - December 31).

All licensees who are subject to continuing education are required to complete the Kentucky Core Course once every four (4) years. Licensees should check the KREC website database for verification of their Core year. Hours cannot be carried over to the next year. The Kentucky Core Course schedule and providers can be found on the KREC website.

Post License Education - Required to be completed two (2) years from the date of initial active licensure for sales associates licensed after January 1, 2016.

Broker licensees are not subject to Post License Education. The deadline for Post License Education will depend on when the active sales associate license was issued. The Post License Education requirement consists of forty-eight (48) hours of post-license course curriculum, which is broken down into thirty two (32) mandatory hours and sixteen (16) elective hours. The mandatory hours consist of nine (9) specific topics with a set number of required hours for each topic. The Post License Education providers can be found on the KREC website.