

OCCUPATIONAL CODE (EXCERPT)
Act 299 of 1980

339.2504 Real estate broker's license; prelicensure classroom courses; suspension or revocation of approval; prohibited representations; conduct of prelicensure course; violation of subsection (4); penalties; real estate clinic, meeting, course, or institute; sponsoring studies, research, and programs; contract with statewide real estate association.

Sec. 2504.

(1) Both of the following must be met before an applicant receives a real estate broker's license under this article:

(a) The applicant must submit an application under section 2505.

(b) The applicant, if the applicant is an individual, or the individual designated as the principal of the applicant under section 2505 if the applicant is a business entity, must successfully complete at least 90 clock hours of approved prelicensure classroom courses in real estate. All of the following apply to these 90 hours of instruction:

- (i) At least 9 clock hours must be instruction on civil rights law and fair housing law.
- (ii) The 90 hours are in addition to the hours required to obtain a real estate salesperson's license.
- (iii) The applicant must complete the 90 hours within the 36-month period preceding the date of the application unless the applicant has held an active license as a real estate salesperson for that period.

(iv) The department by rule may determine that possession of 1 or more of the following credentials is the equivalent to completing prelicensure classroom courses described in this subdivision, and the appropriate number of clock hours of credit that an applicant or principal of an applicant, as applicable, receives for possessing each credential:

- (A) A law degree.
- (B) A bachelor's degree in business or finance from a degree- or certificate-granting public or independent nonprofit college or university, junior college, or community college.
- (C) A master's degree in business or finance from a degree- or certificate-granting public or independent nonprofit college or university, junior college, or community college.
- (D) Any other educational credential that the department, in consultation with the board, determines is the equivalent to completing prelicensure classroom courses described in this subdivision.

(2) Before he or she is permitted to take the real estate salesperson's examination, an applicant must show proof that he or she has successfully completed at least 40 clock hours of approved prelicensure classroom courses in principles of real estate, including at least 4 clock hours of instruction on civil rights law and equal opportunity in housing. The applicant must complete the 40 hours of prelicensure education within the 36-month period preceding the date of the application.

(3) For purposes of subsections (1) and (2), an approved prelicensure course is a classroom course that meets all of the following:

- (a) Meets criteria established by the department. The department may promulgate rules to establish these criteria.
- (b) Covers 1 or more of the following topics:
 - (i) Real estate license law and related regulatory laws.
 - (ii) Real property law, including property interests and restrictions.
 - (iii) Federal, state, and local tax laws affecting real property.
 - (iv) Conveyances, including contracts, deeds, and leases.
 - (v) Financing, including mortgages, land contracts, foreclosure, and limits on lending procedures and interest rates.
 - (vi) Appraisal of real property.
 - (vii) Design and construction.
 - (viii) Marketing, exchanging, and counseling.
 - (ix) The law of agency.
 - (x) Sales and office management, including listing and selling techniques.
 - (xi) Real estate securities and syndications.
 - (xii) Investments, including property management.

(4) A person that offers or conducts a prelicensure course or courses of study that are represented to meet the educational requirements of this section shall first obtain approval from the department and shall comply with the rules of the department concerning curriculum, instructor qualification, grading system, and other related matters. A course shall be designed to be taught for at least 1 clock hour, not including time spent on breaks, meals, or other unrelated activities. The department may suspend or revoke the approval of a person approved under this subsection for a violation of this article or of the rules promulgated under this article. A person that offers or conducts a course shall not represent that its students are assured of passing an examination required by the department. A person shall not represent that the issuance of departmental approval under this subsection is a

recommendation or endorsement of the person to which it is issued or of a course of instruction given by it. A prelicensure course approved under this section shall be conducted by 1 of the following:

- (a) A local public school district.
- (b) A community college.
- (c) An institution of higher education authorized to grant degrees.
- (d) Any other education provider approved by the department under this subsection, if that provider meets any requirements for prelicensure education providers established by the department by rule, in consultation with the board.
- (5) A person that violates subsection (4) in operating a school that provides 1 or more courses described in this section is subject to the penalties set forth in article 6.
- (6) The department may conduct, hold, or assist in conducting or holding, a real estate clinic, meeting, course, or institute, which shall be open to a person licensed under this article, and may incur the necessary expenses in connection with the clinic, meeting, course, or institute. The department, in the public interest, may assist educational institutions in this state in sponsoring studies, research, and programs for the purpose of raising the standards of professional practice in real estate and the competence of a licensee.
- (7) For purposes of subsection (3)(b), the department may contract under section 210 with a statewide real estate association that has a membership representing more than 18,000 licensees to do any of the following:
 - (a) Review prelicensure courses and make recommendations to the department of whether the department should approve a prelicensure course, based on criteria established by the department.
 - (b) Review prelicensure courses to determine whether the subject matter of the courses is relevant to the practice of real estate.

History: 1980, Act 299, Imd. Eff. Oct. 21, 1980 ;-- Am. 1983, Act 144, Eff. Jan. 1, 1985 ;-- Am. 1984, Act 413, Eff. Mar. 29, 1985 ;-- Am. 2002, Act 611, Imd. Eff. Dec. 20, 2002 ;-- Am. 2003, Act 196, Imd. Eff. Nov. 10, 2003 ;-- Am. 2014, Act 106, Eff. Jan. 1, 2015 ;-- Am. 2016, Act 502, Eff. Mar. 29, 2017

Popular Name: Act 299

Admin Rule: R 339.22101 et seq. of the Michigan Administrative Code.