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United States • Ohio Real Estate Salesperson License Exam

Ohio

Study Guide

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CHAPTER 1

ORC 4735.181 Sanctions for Noncompliance with Statutory Requirements - Disposition of Fines

1.1 Superintendent's Enforcement Options for Violations

When the superintendent determines a licensee has violated the noncompliance provisions, the superintendent has two possible courses of action. The superintendent may pursue formal disciplinary action or issue a citation with sanctions.

- ✓ The superintendent may initiate disciplinary action under section 4735.051 in accordance with Chapter 119
- ✓ Alternatively, the superintendent may personally or by certified mail serve a citation and impose sanctions under this section

1.2 Citation Contents and Fine Amounts

Every citation served must notify the licensee of the alleged violations and inform them of the right to request a hearing under Chapter 119. Each citation must state a fine amount, and collected fines are directed to a specific fund. The maximum fine is up to two hundred dollars per violation.

- ✓ Citation must inform licensee of the alleged violations and the opportunity to request a hearing under Chapter 119
- ✓ Fine is up to two hundred dollars ($200) per violation
- ✓ All fines collected are credited to the real estate recovery fund created under section 4735.12

1.3 Repeat Violations and Mandatory Discipline

A licensee who accumulates multiple citations within a twelve-month period faces escalated consequences. After three citations within twelve consecutive months, the superintendent is required to initiate formal disciplinary action for any subsequent violation in the same period.

- ✓ If a licensee is cited three times under this section within twelve consecutive months, the superintendent shall initiate disciplinary action under 4735.051
- ✓ This mandatory discipline applies to any subsequent violation occurring within the same twelve-month period

1.4 Compliance Deadline and Automatic Suspension

Once a citation is final, the licensee must fulfill all requirements within a set timeframe. Failure to comply triggers automatic suspension of the license by the superintendent.

- ✓ Unless otherwise indicated, the licensee must meet all requirements in the final citation within thirty days after its effective date
- ✓ The superintendent shall automatically suspend a licensee's license if the licensee fails to comply with the final citation requirements

1.5 Prohibited Noncompliance with Statutory Requirements

Real estate brokers and salespersons licensed under Chapter 4735 must comply with specified statutory provisions. Failure to comply constitutes a violation subject to sanctions. The provisions include divisions (B) and (D) of ORC 4735.13, division (D) of ORC 4735.14, and ORC sections 4735.22, 4735.55, 4735.56, 4735.58, and 4735.80, along with any rules adopted under those divisions or sections.

- ✓ No broker or salesperson shall fail to comply with divisions (B) and (D) of 4735.13, division (D) of 4735.14, or sections 4735.22, 4735.55, 4735.56, 4735.58, and 4735.80
- ✓ Compliance also required with any rules adopted under those divisions or sections

1.6 When a Citation Becomes Final

A citation becomes final if the licensee does not act within the prescribed time. Failure to request a hearing or reach an alternative agreement results in the citation becoming final and enforceable.

- ✓ A citation becomes final if the licensee fails to request a hearing within thirty days after the date of service
- ✓ A citation also becomes final if the licensee and superintendent fail to reach an alternative agreement

CHAPTER 2

Section 4735.71 Dual Agency - Disclosure Statement

2.1 Written Consent Required for Dual Agency

A licensee or brokerage may not participate in a dual agency relationship (as described in ORC 4735.70) unless both the seller and purchaser have full knowledge of the dual representation and consent in writing on the agency disclosure statement described in ORC 4735.57. Consent must be informed—the licensee must disclose all relevant information necessary for each party to make an informed decision before obtaining consent.

- ✓ Both seller and purchaser must have full knowledge of the dual representation
- ✓ Consent must be in writing on the agency disclosure statement described in ORC 4735.57
- ✓ Licensee must disclose all relevant information necessary for an informed decision before obtaining consent
- ✓ No dual agency may occur without meeting these consent requirements

2.2 Brokerage Conditions for Dual Agency

When a brokerage participates in a dual agency relationship under division (C) of ORC 4735.70 (two different licensees of the same brokerage representing different clients), the brokerage must establish a procedure under ORC 4735.54 so that licensees, including management-level licensees, representing one client cannot access or obtain confidential information about the other client. Additionally, each licensee must fulfill their duties exclusively to their own client.

- ✓ Brokerage must establish an ORC 4735.54 procedure to prevent access to the other client's confidential information
- ✓ The information barrier applies even to management-level licensees
- ✓ Each licensee must fulfill duties exclusively to that licensee's own client

2.3 Prohibited Dual Agency When Licensee Is a Party

A salesperson or broker may not participate in a dual agency relationship in which the licensee is a party to the transaction—either personally or as an officer or member of a partnership, association, LLC, LLP, or corporation that has an interest in the real property, or an entity intending to purchase, lease, or exchange the property.

- ✓ A licensee who is personally a party to the transaction cannot act as a dual agent
- ✓ This prohibition extends to licensees acting as officers or members of entities with an interest in the property
- ✓ It also applies to entities intending to purchase, lease, or exchange the subject property

2.4 Material Change Requires Renewed Disclosure

If, after consent to dual agency is obtained, there is a material change in the information disclosed to the purchaser and seller, the licensee must disclose the change to both parties and give them an opportunity to revoke their consent to the dual agency relationship.

- ✓ A material change in disclosed information must be communicated to both purchaser and seller
- ✓ Parties must be given the opportunity to revoke their consent following a material change

CHAPTER 3

ORC § 4735.62 Fiduciary Duties Generally

3.1 Licensee as Fiduciary of the Client

Under ORC 4735.62, when representing any client in an agency or subagency relationship, the licensee is a fiduciary and must use best efforts to further the client's interest. The statute lists specific mandatory duties owed to the client. Exam candidates should recognize this establishes the core statutory fiduciary framework in Ohio agency law.

- ✓ A licensee representing a client in an agency or subagency relationship is a fiduciary of the client
- ✓ The licensee must use best efforts to further the interest of the client
- ✓ The listed duties are not exhaustive ('including, but not limited to')

3.2 Reasonable Skill, Care, and Loyalty

The licensee must exercise reasonable skill and care in representing the client and carrying out the responsibilities of the agency relationship, and must perform all chapter duties in a manner loyal to the client's interest. These are the classic care and loyalty components of fiduciary duty.

- ✓ Must exercise reasonable skill and care in representing the client (division A)
- ✓ Must perform all Chapter 4735 duties in a manner loyal to the client's interest (division D)
- ✓ Must follow any lawful instructions of the client (division C)
- ✓ Must perform the terms of any written agency agreement (division B)

3.3 Compliance with Fair Housing Laws

The licensee must comply with all requirements of Chapter 4735 and other applicable statutes, rules, and regulations, including the Ohio fair housing law (division (H) of ORC 4112.02) and the federal fair housing law (42 U.S.C.A. 3601, as amended). This ties the fiduciary duty of compliance directly to fair housing obligations.

- ✓ Must comply with the Ohio fair housing law under ORC 4112.02(H)
- ✓ Must comply with the federal fair housing law, 42 U.S.C.A. 3601, as amended
- ✓ Compliance with all Chapter 4735 requirements is a fiduciary duty (division E)

3.4 Duty to Disclose Material Facts

The licensee must disclose to the client any material facts of the transaction that the licensee is aware of or should be aware of in the exercise of reasonable skill and care, EXCEPT facts that are confidential information under a current or prior agency or dual agency relationship. The licensee must also advise the client to obtain expert advice on material matters when necessary or appropriate.

- ✓ Must disclose material facts the licensee knows or should know through reasonable skill and care (division F)
- ✓ Confidential information from a current or prior agency/dual agency relationship is excluded from this disclosure duty
- ✓ Must advise the client to seek expert advice on material matters when necessary or appropriate (division G)

3.5 Duty of Confidentiality

The licensee must keep all confidential information confidential unless permitted to disclose it under ORC 4735.74(B). This duty specifically includes NOT disclosing confidential information to any licensee who is not an agent of the client.

- ✓ Must keep all confidential information confidential (division I)
- ✓ Disclosure is allowed only when permitted under ORC 4735.74(B)
- ✓ Confidential information may not be disclosed to any licensee who is not an agent of the client

3.6 Accounting for Money and Property

The licensee must account in a timely manner for all moneys and property received in which the client has or may have an interest. This reflects the fiduciary duty of accounting.

- ✓ Must account for all moneys and property received in which the client has or may have an interest (division H)
- ✓ Accounting must be done in a timely manner

CHAPTER 4

§ 4735.20(A) General Prohibition on Paying Unlicensed Persons

4.1 Compensation Only to Licensed Persons

Ohio Revised Code § 4735.20(A) prohibits a licensed real estate broker or licensed foreign real estate dealer from paying a commission, fee, or other compensation for performing acts specified in § 4735.01 to any person who is not a licensed real estate broker or salesperson (or licensed foreign real estate dealer/salesperson). This is the foundational rule preventing payment to unlicensed individuals. Exceptions exist only under divisions (B), (C), and (G).

- ✓ A broker/foreign dealer may NOT pay commissions or compensation for real estate acts to unlicensed persons
- ✓ Payment is allowed only to licensed brokers or licensed salespersons (or foreign equivalents)
- ✓ Exceptions to the prohibition exist only under divisions (B), (C), and (G)

CHAPTER 5

ORC 4735.182 — Fee Instrument Returned Unpaid; Additional Fee; Sanctions

5.1 Licensee's Returned Check and $100 Cure Fee

If the returned instrument was submitted by a licensee, the superintendent notifies the licensee that the license will be suspended unless, within fifteen days after the notice is mailed, the licensee submits both the original fee and an additional one-hundred-dollar fee. Failure to submit both fees in time — or a second returned instrument — results in immediate suspension without a hearing, and the licensee must cease activity.

- ✓ Licensee must submit the original fee PLUS a $100 additional fee to cure
- ✓ The cure period is 15 days after the mailing of the notice
- ✓ Failure to cure results in immediate license suspension WITHOUT a hearing
- ✓ A suspended licensee must cease all activity as a licensee under Chapter 4735
- ✓ A returned instrument used to pay the cure fees also triggers immediate suspension

5.2 Returned Check by Applicant for Licensure

If the returned instrument was remitted by an applicant for licensure, the application is automatically rejected or approval withdrawn unless, within fifteen days after the notice is mailed, the applicant submits the original fee plus a one-hundred-dollar fee. Failure to submit both fees in time — or another returned instrument — results in denial or withdrawal of approval.

- ✓ A licensure applicant's returned check causes automatic rejection/withdrawal of approval unless cured
- ✓ Cure requires the original fee plus a $100 additional fee within 15 days of mailing
- ✓ Failure to cure results in denial of the application or withdrawal of approval

5.3 Returned Fee Instrument Triggers Notice

When any check or draft used to pay a fee required under Chapter 4735 is returned unpaid by the financial institution for any reason, the superintendent must notify the entity or person that the instrument was returned for insufficient funds. This general notice requirement applies before any specific sanction is imposed on the payer.

- ✓ A returned check/draft used to pay any Chapter 4735 fee triggers a mandatory notice from the superintendent
- ✓ The reason for return is irrelevant — 'for any reason' the instrument is unpaid triggers the process
- ✓ Notice must state the instrument was returned for insufficient funds

5.4 Returned Check for Foreign Real Estate/Property Registration

If the instrument was remitted by a person or entity applying to qualify foreign real estate or renew a property registration, the superintendent notifies the applicant that the registration will be suspended unless, within fifteen days after mailing, the applicant submits the original fee and a one-hundred-dollar fee. Otherwise the property registration is suspended immediately without a hearing and the applicant must cease activity.

- ✓ Applicant must submit the original fee plus a $100 additional fee within 15 days of mailing
- ✓ Failure to cure results in immediate suspension of the property registration without a hearing
- ✓ The applicant must cease activity upon suspension

5.5 Returned Check by Education Course Provider

If the instrument was remitted by an education course provider or course provider applicant, the application is automatically rejected or approval withdrawn unless, within fifteen days after mailing, the applicant submits the original fee plus a one-hundred-thirty-five-dollar fee. Note the higher additional fee ($135) for course providers compared to the $100 fee for licensees and applicants.

- ✓ Course providers must pay a $135 additional fee (not $100) to cure a returned check
- ✓ Cure must occur within 15 days after the notice is mailed
- ✓ Failure to cure results in denial of the application or withdrawal of approval

CHAPTER 6

§ 4735.10(A)(1) Discretionary Rules of the Commission

6.1 Commission's Permissive Rulemaking Authority

The Ohio Real Estate Commission MAY adopt reasonable rules in accordance with Chapter 119 of the Revised Code (Ohio's Administrative Procedure Act) to implement provisions of the license law. This is discretionary authority covering license application forms, examination times, license status changes, and clarification of licensed activities.

- ✓ The Commission MAY (discretionary) adopt reasonable rules under R.C. Chapter 119
- ✓ Rules may govern the form and manner of filing license applications and the times and form of examinations
- ✓ Rules may clarify which activities require a real estate license under Chapter 4735
- ✓ A broker may be permitted to act as principal broker for more than one brokerage

6.2 License Status Options by Rule

The Commission may adopt rules allowing a broker to place an existing license on deposit or a salesperson to place a license on inactive status for an indefinite period, specify how a licensee resigns a license, and define additional license statuses not otherwise defined in the chapter.

- ✓ A broker's license may be placed 'on deposit' and a salesperson's license placed on 'inactive status' for an indefinite period
- ✓ Rules may specify the process by which a licensee resigns the licensee's license
- ✓ The Commission may define additional license statuses not defined elsewhere in Chapter 4735

CHAPTER 7

ORC 4735.022(A) Out-of-State Commercial Broker Requirements

7.1 Out-of-State Commercial Broker Cooperation Conditions

An out-of-state commercial broker may perform acts requiring an Ohio license—for a fee, commission, or other valuable consideration—with respect to commercial real estate, but only if the broker satisfies ALL seven conditions of division (A). The threshold requirement is cooperating with a validly licensed active Ohio real estate broker and entering a written cooperation agreement. This lets nonresident brokers do commercial deals in Ohio without holding a full Ohio license, provided they partner with a resident Ohio broker.

- ✓ The out-of-state commercial broker must work in cooperation with an Ohio broker who holds a valid, active license under Chapter 4735
- ✓ A written agreement with the Ohio broker must state the terms of cooperation and compensation and that the out-of-state broker and its agents will adhere to Ohio law
- ✓ The out-of-state broker must furnish the Ohio broker a current certificate of good standing from any jurisdiction where it maintains an active real estate license
- ✓ All requirements of division (A) apply only to commercial real estate, not residential

7.2 Escrow Funds Held by Ohio Broker

All escrow funds, security deposits, and other money received by either the out-of-state broker or the Ohio broker must be deposited in trust or special accounts maintained by the Ohio broker. The Ohio broker—not the nonresident—controls the trust accounts, ensuring Ohio consumer-protection standards apply to client funds.

- ✓ All escrow funds, security deposits, and other money must be deposited in trust or special accounts maintained by the Ohio broker
- ✓ This applies to money received by either the out-of-state broker OR the Ohio broker

7.3 Consent to Jurisdiction and Advertising Rules

To operate under the cooperative arrangement, the out-of-state commercial broker must file an irrevocable written consent to being sued in Ohio and must include the Ohio broker's name on all advertising per ORC 4735.16. Legal actions arising from the out-of-state broker's or its agents' conduct may be brought in the county where the cause of action arises or where the plaintiff resides.

- ✓ The out-of-state broker must file an irrevocable written consent that legal actions may be commenced against it in the proper Ohio county where the cause of action arises or the plaintiff resides
- ✓ All advertising must include the name of the cooperating Ohio broker in accordance with ORC 4735.16

7.4 Document Deposit and Three-Year Retention

The out-of-state broker must deposit all documentation required by the section, plus records and documents related to the transaction, with the cooperating Ohio broker. The Ohio broker must then retain those records for three years after the documentation is provided or the transaction occurred, as appropriate.

- ✓ The out-of-state broker must deposit all required documentation and transaction records with the Ohio broker
- ✓ The Ohio broker must retain the documentation and transaction records for three years after the documentation is provided or the transaction occurred

CHAPTER 8

Section 4735.74 Duties following closing of transaction

8.1 Post-Closing Duties Owed to Client

Under ORC 4735.74, once a licensee has performed all duties or the agency contract has terminated or expired, the licensee generally owes no further duty to the client. However, two specific duties survive the end of the relationship unless the parties agree otherwise in writing: providing an accounting of all moneys and property, and maintaining confidentiality of information received during the transaction. Exam candidates must understand that these are the ONLY continuing obligations after closing.

- ✓ Unless otherwise agreed in writing, a licensee owes no further duty to a client after all duties are performed or the contract terminates or expires
- ✓ Two duties survive termination: (A) accounting of all moneys and property relating to the transaction, and (B) keeping information confidential
- ✓ The word 'both' means BOTH surviving duties (accounting AND confidentiality) continue, not just one

8.2 Continuing Duty of Confidentiality and Its Exceptions

The duty to keep confidential all information received during the transaction survives closing indefinitely. However, ORC 4735.74(B) lists six exceptions where disclosure is permitted or required. Candidates should memorize these exceptions, as they are commonly tested regarding when a licensee may lawfully break confidentiality.

- ✓ Confidentiality survives the closing/termination of the transaction
- ✓ Exception 1: The client permits disclosure
- ✓ Exception 2: Disclosure is required by law or by court order
- ✓ Exception 3: The information becomes public from a source other than the licensee
- ✓ Exception 4: The information is necessary to prevent a crime the client intends to commit
- ✓ Exception 5: Disclosure is necessary to defend the brokerage or its licensees against an accusation of wrongful conduct, or to establish or defend a claim that a commission is owed
- ✓ Exception 6: Disclosure of sales information requested by a registered/licensed/certified real estate appraiser under Chapter 4763 for performing an appraisal

8.3 Continuing Duty to Account After Closing

After the transaction closes or the agency relationship ends, the licensee must still provide the client with an accounting of all moneys and property relating to the transaction. This is a fiduciary-type duty that outlives the agency relationship.

- ✓ Licensee must provide the client an accounting of all moneys and property relating to the transaction after closing
- ✓ This duty applies even after the contract has terminated or expired

8.4 No Liability for Disclosure to Appraisers

When a licensee releases sales information to a real estate appraiser (registered as an assistant or licensed/certified under Chapter 4763) for the purpose of performing an appraisal, the statute provides immunity. No cause of action arises against the licensee for such a disclosure.

- ✓ Sales information may be disclosed to an appraiser registered, licensed, or certified under Chapter 4763 for appraisal purposes
- ✓ No cause of action shall arise on behalf of any person against a licensee for releasing information pursuant to this appraiser-disclosure exception

CHAPTER 9

ORC 4735.70 Dual Agency Definitions

9.1 Who Qualifies as a Dual Agent

Ohio Revised Code § 4735.70 defines the categories of persons and entities considered dual agents in a real estate transaction. Dual agency arises when the same licensee or brokerage represents both sides of a transaction as clients, or when a management level licensee oversees an in-company transaction. Understanding these definitions is essential because dual agency triggers specific disclosure and consent obligations under Ohio license law.

- ✓ A licensee who represents BOTH the purchaser and the seller as clients in the SAME real estate transaction is a dual agent (§ 4735.70(A))
- ✓ A brokerage that represents BOTH the purchaser and the seller as clients in the same real estate transaction is a dual agent (§ 4735.70(B))
- ✓ Dual agency applies only when both parties are 'clients' in the same transaction

9.2 Management Level Licensee as Dual Agent

A management level licensee who represents a client in an in-company transaction (where both the buyer and seller are represented by agents within the same brokerage) is generally considered a dual agent under § 4735.70(C). This reflects the management licensee's supervisory position over agents on both sides of the transaction.

- ✓ A management level licensee who represents a client in an in-company transaction is a dual agent (§ 4735.70(C))
- ✓ An in-company transaction is one where the same brokerage represents both purchaser and seller

9.3 Exceptions for Management Level Licensees

When there is more than one management level licensee affiliated with a brokerage, a management level licensee is NOT a dual agent under two specific circumstances. These exceptions allow the management licensee to advocate solely for one party's interest rather than serving as a neutral dual agent, provided another management licensee is available to oversee the transaction.

- ✓ If the management level licensee personally represents the seller OR the purchaser, they represent only their own client's interests and are NOT a dual agent (§ 4735.70(C)(1))
- ✓ If the management level licensee is themselves the purchaser or seller, they represent only their own interest and are NOT a dual agent (§ 4735.70(C)(2))
- ✓ These exceptions apply ONLY when more than one management level licensee is affiliated with the brokerage

CHAPTER 10

ORC 4735.54 Written Company Policy for Types of Agency Relationships for Brokerage

10.1 Mandatory Written Company Agency Policy

Every real estate brokerage in Ohio must develop and maintain a written company policy that identifies the types of agency relationships that its members (affiliated licensees) are permitted to establish with clients. This policy is a mandatory brokerage-level requirement, not optional.

- ✓ Each brokerage SHALL develop and maintain a written company policy setting forth the types of agency relationships members may establish
- ✓ The policy must comply with minimum standards established by rule by the superintendent of real estate with approval of the Ohio Real Estate Commission

10.2 Dual Agency and Confidentiality Provisions in Policy

The written company policy must address whether dual agency relationships under ORC 4735.70 are permitted within the brokerage. It must also establish procedures to protect confidential information and ensure that confidentiality obligations extend to all affiliated licensees of the brokerage.

- ✓ The policy must state whether any dual agency relationships under section 4735.70 are permitted
- ✓ The policy must set forth procedures to protect confidential information and ensure confidentiality extends to affiliated licensees of the brokerage

10.3 Policy Does Not Eliminate Confidentiality Liability

Having a written company policy does not shield a brokerage from liability. The brokerage remains liable if it, any of its licensees, or any of its employees fails to maintain the confidentiality of a client's confidential information, regardless of the policy's existence.

- ✓ Development and maintenance of the policy does NOT relieve a brokerage from liability for failure to maintain client confidentiality
- ✓ Liability applies to failures by the brokerage, any licensee, or any employee of the brokerage

10.4 Providing the Policy to Clients on Request

The brokerage must furnish a copy of its written company agency policy to any client or prospective client who requests it. This ensures transparency about the agency relationships the brokerage offers.

- ✓ The brokerage must provide a copy of its policy to each client or prospective client upon request
- ✓ The obligation to provide the policy applies to both clients and prospective clients

CHAPTER 11

ORC 4735.75 Authorization of Other Brokers by Exclusive Agent

11.1 Broker Authorization for Other Licensees to Negotiate

A broker holding exclusive authority to represent a client under a written exclusive agency agreement, exclusive right to sell agreement, or exclusive purchaser agency agreement may authorize other licensees to negotiate directly with that client. This authorization must be in writing, and the broker must comply with the requirements of ORC 4735.621. This allows cooperating licensees to interact directly with an already-represented client without breaching license law.

- ✓ The exclusive broker may authorize other licensees to negotiate directly with the broker's client
- ✓ The authorization to negotiate directly must be in writing
- ✓ The applicable exclusive agreements are: exclusive agency, exclusive right to sell, or exclusive purchaser agency agreement
- ✓ The broker must comply with the requirements of ORC 4735.621 when granting the authorization

11.2 No Agency Created by Authorized Negotiation

A licensee who negotiates directly with a seller, purchaser, lessor, or tenant pursuant to a written authorization under division (A) does not violate ORC 4735.18(A)(19) (which generally prohibits negotiating with a party already exclusively represented). Importantly, negotiations conducted under this authorization do NOT create or imply an agency relationship between that licensee and the exclusive broker's client.

- ✓ Negotiating pursuant to written authorization does not violate ORC 4735.18(A)(19)
- ✓ Such authorized negotiations do not create or imply an agency relationship with the exclusive broker's client
- ✓ The protection applies to negotiations with a seller, purchaser, lessor, or tenant

11.3 Statutory Definition of 'Negotiate'

For purposes of this section and ORC 4735.18(A)(19), 'negotiate' is specifically defined. Understanding this definition helps candidates identify what conduct requires written authorization to avoid violating license law when a party is already represented by an exclusive broker.

- ✓ Negotiate includes delivering or communicating an offer, counteroffer, or proposal
- ✓ Negotiate includes discussing or reviewing the terms of any offer, counteroffer, or proposal
- ✓ Negotiate includes facilitating communication regarding an offer, counteroffer, or proposal and preparing any response as directed

CHAPTER 12

ORC 4735.65(A) Duties to the Purchaser in an Agency Relationship

12.1 Buyer Agent Duty to Seek Property

When representing a purchaser, a licensee must seek a property at a price and with purchase or lease terms acceptable to the purchaser. However, unless the client directs otherwise, the licensee is not obligated to keep seeking additional purchase or lease possibilities once the purchaser is already a party to a purchase contract, has entered a lease, or has extended a letter of intent to lease.

- ✓ The buyer's agent must seek property at a price and terms acceptable to the purchaser
- ✓ Once the purchaser is under contract, lease, or has extended a letter of intent, the agent is not obligated to seek additional possibilities unless the client so directs

12.2 Assisting and Presenting Offers Timely

The buyer's agent must assist the purchaser in developing, communicating, and presenting offers or counteroffers. The agent must present any offer to purchase or lease to the seller or seller's agent in a timely manner—even if the property is already subject to a contract of sale, lease, or letter of intent to lease—and must accept delivery of and present any counteroffers to the purchaser in a timely manner.

- ✓ Agent must present all offers/counteroffers in a timely manner, even if the property is already under contract, lease, or letter of intent
- ✓ Agent must assist the purchaser in developing, communicating, and presenting offers and counteroffers

12.3 Answering Questions and Providing Offer Information

Within the scope of knowledge required for licensure, the buyer's agent must answer the purchaser's questions and provide information regarding any offers or counteroffers. The agent must also, within that scope of knowledge, answer the purchaser's questions about the steps required to fulfill the terms of any contract.

- ✓ Agent must answer purchaser questions and provide information on offers/counteroffers within the scope of licensure knowledge
- ✓ Agent must answer purchaser questions about steps needed to fulfill contract terms, within the scope of licensure knowledge

CHAPTER 13

ORC 4735.25(A) Requirement to Qualify Foreign Real Estate

13.1 Foreign Real Estate Qualification Requirement

No person may sell, lease, or otherwise deal in foreign real estate within Ohio unless the person has qualified the foreign real estate with the superintendent of real estate and meets one of the licensing conditions. This is the core rule governing the sale of out-of-state real estate in Ohio.

- ✓ Foreign real estate must be qualified pursuant to ORC 4735.25 before it can be sold, leased, or dealt in within Ohio
- ✓ The person must either have been licensed under section 1707.15 or 1707.16 prior to October 14, 1969, or be licensed under section 4735.27 or 4735.28
- ✓ A person previously licensed as a foreign real estate dealer or salesperson under former section 1707.331 may operate only until the expiration of that license

13.2 Exceptions to Qualification Requirement

Certain persons are exempt from the requirement to qualify foreign real estate. A bona fide owner selling for the owner's own account in a single transaction (not by repeated or successive transactions) is exempt, as is a person excepted from licensure under ORC 4735.01. Additionally, a licensed foreign real estate dealer or salesperson acting in a fiduciary capacity for a bona fide owner in a single transaction need not qualify the property.

- ✓ A bona fide owner selling for their own account in a single, non-repeated transaction need not qualify the property
- ✓ A person excepted from licensure under section 4735.01 is exempt from the qualification requirement
- ✓ A licensed foreign real estate dealer/salesperson acting in a fiduciary capacity for a bona fide owner in a single transaction need not qualify the real estate

CHAPTER 14

ORC 4735.05(A) Organization of Commission

14.1 Commission Placement and Executive Officer

The Ohio Real Estate Commission is part of the Department of Commerce for administrative purposes. The Director of Commerce serves ex officio as the executive officer of the commission, but the director may designate a department employee as Superintendent of Real Estate and Professional Licensing to act as executive officer.

- ✓ The Ohio Real Estate Commission is part of the Department of Commerce for administrative purposes
- ✓ The Director of Commerce is ex officio the executive officer of the commission
- ✓ The director may designate a department employee as Superintendent of Real Estate and Professional Licensing

14.2 Appointment of the Superintendent

When the office of superintendent becomes vacant, the Real Estate Commission and the Real Estate Appraiser Board must each submit to the director a list of three qualified persons within sixty days. The director appoints the superintendent from those lists, and the superintendent serves at the pleasure of the director.

- ✓ The commission and the real estate appraiser board must each submit a list of three qualified persons
- ✓ Lists must be submitted within sixty days after the office becomes vacant
- ✓ The director appoints the superintendent from the submitted lists
- ✓ The superintendent serves at the pleasure of the director

CHAPTER 15

ORC 4735.53 Agency relationships permitted

15.1 Permitted Types of Agency Relationships

Under ORC 4735.53(A), a licensee in a real estate transaction may only establish four specific types of agency relationships. No other agency arrangements are permitted. Candidates must know these four defined relationships and be able to identify examples such as seller agency, buyer agency, dual agency, and subagency.

- ✓ A licensee may represent the seller (seller agency).
- ✓ A licensee may represent the purchaser (buyer agency).
- ✓ A licensee may represent both seller and purchaser as a dual agent.
- ✓ A licensee may act as a subagent to the client of another licensee.
- ✓ The four listed relationships are the ONLY permitted types.

15.2 Who Else Becomes Agent of the Client

Under ORC 4735.53(B), when a licensee forms an agency relationship with a client, certain other individuals are automatically also considered agents of that client. This defines the scope of who owes duties to the client and who is imputed with the agency relationship within a brokerage.

- ✓ The brokerage the licensee is affiliated with is also the client's agent, along with management-level licensees having direct supervisory duties (except as provided in ORC 4735.70(C)).
- ✓ Any licensee in the brokerage who receives confidential information from the client's agent becomes an agent of the client.
- ✓ Any other licensee who assisted in establishing the agency relationship is an agent of the client.
- ✓ Any licensee specifically appointed with the client's consent to represent the client is an agent of that client.

15.3 Non-Agent Licensees in Same Brokerage

Under ORC 4735.53(C), the default rule is that other licensees affiliated with the same brokerage are NOT agents of the client. This is the basis for appointed (designated) agency, allowing different agents in one brokerage to represent different parties. Only those meeting the conditions in (B)(1)–(4) are agents.

- ✓ Except for those described in divisions (B)(1) to (4), another licensee affiliated with the same brokerage is NOT an agent of that client.
- ✓ This provision supports appointed/designated agency within a brokerage.

15.4 Compensation Does Not Determine Agency

Under ORC 4735.53(D), payment or the promise of payment does not by itself create or determine an agency relationship. A candidate must understand that who pays the commission is irrelevant to determining agency; agency is based on the relationships defined in the statute, not on the source of compensation.

- ✓ Payment or a promise of payment does not determine whether an agency relationship exists between a licensee and a client.
- ✓ Payment does not determine agency between other brokerage licensees and the client.
- ✓ Agency is established by the relationships defined in statute, not by who pays.

CHAPTER 16

ORC 4735.80 Anti-discrimination disclosure

16.1 Anti-Discrimination Disclosure Form Requirement

Ohio Revised Code § 4735.80 requires the superintendent of real estate to adopt rules requiring a licensee, prior to listing residential real estate for sale, exchange, or purchase, to provide the seller a disclosure form developed and maintained by the Division of Real Estate. The form outlines the federal and state anti-discrimination laws that apply in the home-buying process (including laws listed in divisions (C)(2) and (3) of section 4735.55) and the penalties for violating those laws. This connects licensee fair-housing duties to seller obligations.

- ✓ A licensee must provide the seller a Division of Real Estate anti-discrimination disclosure form before listing residential real estate for sale, exchange, or purchase
- ✓ The form must outline both the applicable federal and state anti-discrimination (fair housing) laws and the penalties for violating them
- ✓ The listed laws include those referenced in divisions (C)(2) and (3) of ORC section 4735.55

16.2 Prohibition on Marketing Before Signed Disclosure

Under § 4735.80(B), a licensee is prohibited from marketing or showing a seller's residential real estate until two things occur: (1) the licensee provides the seller with the required anti-discrimination disclosure, and (2) the licensee receives back a copy of that disclosure signed and dated by the seller. The signed, dated copy must be retained by the licensee for a specified period.

- ✓ No licensee shall market or show a seller's residential real estate before providing the required disclosure AND receiving a copy signed and dated by the seller
- ✓ The licensee must retain the signed and dated disclosure copy for not less than three years following the closing date on the property

CHAPTER 17

§ 4735.16(A) Sign on Business Premises

17.1 Broker sign requirement at office and branches

Every real estate broker licensed under Chapter 4735 must erect or maintain a sign on the business premises plainly stating that the licensee is a real estate broker. If the broker maintains one or more branch offices, a similar sign must be erected or maintained at each branch office.

- ✓ Every licensed broker must display a sign on the business premises plainly identifying the licensee as a real estate broker
- ✓ A separate identifying sign must be maintained at each branch office

CHAPTER 18

ORC 4735.052 Civil Penalty

18.1 Superintendent's Authority to Investigate Violations

The superintendent of the Division of Real Estate may investigate any person alleged to have violated ORC sections 4735.02 (unlicensed activity/prohibited acts), 4735.023, or 4735.25. An investigation may be triggered by a written complaint or by the superintendent's own motion. However, the superintendent may NOT initiate an investigation under this section against any person who held a suspended or inactive license under Chapter 4735 on the date of the alleged violation.

- ✓ Investigations may arise from a written complaint OR the superintendent's own motion
- ✓ Applies to alleged violations of ORC 4735.02, 4735.023, or 4735.25
- ✓ The superintendent cannot investigate a person who held a suspended or inactive license on the date of the alleged violation

18.2 Written Notice of Alleged Violation

If, after investigation, the superintendent finds reasonable evidence of a violation, the superintendent must send the investigated party written notice by regular mail within fourteen business days of that determination. The notice must describe the allegedly violating activity, cite the applicable law allegedly violated, and inform the party that a hearing before a hearing examiner under Chapter 119 will be held upon the party's request.

- ✓ Notice must be sent within fourteen (14) business days after the reasonable-evidence determination
- ✓ Notice is sent by regular mail
- ✓ Notice must include a description of the activity, the law allegedly violated, and a statement of the right to a hearing under Chapter 119

18.3 Civil Penalty Amount and Assessment

The Ohio Real Estate Commission decides whether to impose disciplinary sanctions for violations of section 4735.02 or 4735.023. If a violation is found, the commission may assess a civil penalty in an amount it determines, not to exceed one thousand dollars per violation. Each day a violation occurs or continues counts as a separate violation. The commission sets the terms of payment, maintains a record of proceedings, and issues a written opinion citing findings and grounds for its action.

- ✓ Civil penalty may not exceed $1,000 per violation
- ✓ Each day a violation occurs or continues is a separate violation
- ✓ The commission determines the penalty amount and terms of payment
- ✓ The commission must issue a written opinion with findings and grounds

18.4 Hearing Process and Examiner's Report

If a hearing is requested, the hearing examiner hears testimony from all parties present, considers written testimony, and determines whether a violation occurred. After formal hearings, the examiner files a report of findings of fact and conclusions of law with the superintendent, commission, complainant, and parties. Parties and the division may file written objections with the commission within twenty days of receiving the report; the commission must consider objections before approving, modifying, or disapproving the report.

- ✓ A hearing is held only upon the party's request, conducted under Chapter 119
- ✓ The hearing examiner files findings of fact and conclusions of law
- ✓ Parties and the division have twenty (20) days to file written objections to the report
- ✓ The commission reviews the report at the next regularly scheduled meeting held at least twenty business days after receipt

18.5 Deposit and Collection of Civil Penalties

Civil penalties collected are deposited in the real estate operating fund established under ORC 4735.211. If a party fails to pay a civil penalty within the prescribed time, the superintendent forwards the party's name, identifying information, and penalty amount to the attorney general for collection. The party must also pay any collection fee assessed by the attorney general. The superintendent may reserve the right to bring a civil action for breach of contract in a court of competent jurisdiction against a non-paying party.

- ✓ Collected civil penalties are deposited in the real estate operating fund (ORC 4735.211)
- ✓ Unpaid penalties are referred to the attorney general for collection
- ✓ The party must pay any attorney general collection fee in addition to the penalty
- ✓ The superintendent may bring a civil action for breach of contract against a non-paying party

CHAPTER 19

ORC 4735.57(A) Agency Disclosure Statement - Required Contents

19.1 Establishment of the Agency Disclosure Statement

The superintendent of real estate, with the approval of the Ohio real estate commission, is required to establish by rule an agency disclosure statement. This standardized form must include a place for the licensee and all parties to the transaction to sign and date it, and must contain sections disclosing or explaining specific required information about the agency relationships in the transaction.

- ✓ The superintendent of real estate establishes the agency disclosure statement by rule, subject to approval by the Ohio real estate commission
- ✓ The statement must contain a place for the licensee and all parties to sign and date it

19.2 Party and Property Identification Requirements

The agency disclosure statement must identify the parties and property involved. It must list the names of all parties in the transaction (unless confidential), the address of the real estate being sold or leased, the name of each licensee and the brokerage with which each licensee is affiliated, and the party that each licensee represents in the transaction.

- ✓ Names of all parties must be disclosed unless confidential
- ✓ The statement must include the property address, each licensee's name, the affiliated brokerage, and which party each licensee represents

19.3 Disclosure of Dual Agency Scenarios

The statement must clarify the agency arrangement in various scenarios. If a licensee for a purchaser and a licensee for the seller are affiliated with the same brokerage, it must state whether they act as dual agents or represent their clients separately. If only one licensee is involved, it must state whether that licensee is a dual agent or represents only one party. If both purchaser and seller are represented by licensees of the same brokerage, the brokerage is a dual agent.

- ✓ Two licensees in the same brokerage representing purchaser and seller must disclose whether they act as dual agents or represent parties separately
- ✓ A single licensee must disclose whether he/she is a dual agent or represents only one party
- ✓ When both purchaser and seller are represented by licensees affiliated with the same brokerage, the brokerage is a dual agent

19.4 Client's Informed Consent by Signature

The agency disclosure statement must state that the client's signature indicates the client's informed consent to the agency relationship, and that if the client does not understand the statement, the client should consult an attorney.

- ✓ The client's signature indicates informed consent to the agency relationship
- ✓ Clients who do not understand the statement should be advised to consult an attorney

CHAPTER 20

ORC 4735.22 Referral of Home Inspectors

20.1 Three-Name Rule for Home Inspector Referrals

When a real estate broker or salesperson provides the name of a home inspector to a purchaser or seller of real estate, they are required to provide at least three home inspector names rather than just one. This prevents the appearance of steering to a single inspector. Additionally, any home inspector named by the licensee must be licensed under Chapter 4764 of the Revised Code.

- ✓ If a broker or salesperson provides the name of a home inspector, they must provide the buyer or seller with the names of at least three home inspectors
- ✓ Any home inspector named must be licensed under Chapter 4764 of the Revised Code
- ✓ The requirement is triggered only when the licensee chooses to provide a home inspector name

20.2 No Endorsement or Due Diligence Obligation

Providing the names of licensed home inspectors does not constitute an endorsement or recommendation of those inspectors. The licensee is not obligated to perform any due diligence with respect to the licensed home inspectors whose names are provided. This protects licensees who share inspector names in good faith.

- ✓ Providing names of licensed home inspectors is not an endorsement or recommendation of those inspectors
- ✓ The licensee is not obligated to satisfy any due diligence requirements regarding the licensed home inspectors

20.3 No Duty to Provide Inspection Information

Section 4735.22 does not require a broker or salesperson to provide purchasers or sellers with information on home inspection services or home inspectors at all. The referral rules only apply if the licensee voluntarily chooses to provide such information.

- ✓ The section does not require a broker or salesperson to provide information on home inspection services or inspectors
- ✓ The duty to provide three names arises only when a licensee elects to provide a home inspector's name

20.4 Immunity from Cause of Action

No cause of action arises against a broker or salesperson for providing or failing to provide the names of licensed home inspectors or information on home inspection services, or for failing to recommend a licensed home inspector to a purchaser or seller. This statutory immunity shields licensees from liability in this area.

- ✓ No cause of action shall arise for providing or failing to provide names of licensed home inspectors
- ✓ No cause of action shall arise for failing to recommend a licensed home inspector to a purchaser or seller

CHAPTER 21

ORC 4735.58 When disclosure statements to be provided

21.1 Timing of Disclosure by Purchaser's Agent

A licensee acting as a purchaser's agent or a seller's subagent working with a purchaser must present the agency disclosure statement (described in ORC 4735.57) to the purchaser and request the purchaser to sign and date it no later than the preparation of an offer to purchase or lease, or a written request for a proposal to lease. This ensures the buyer understands the agency relationship before committing to an offer.

- ✓ The purchaser's agent or seller's subagent must present the agency disclosure statement to the purchaser no later than the preparation of an offer to purchase/lease or a written proposal request to lease
- ✓ The purchaser must be requested to sign and date the statement
- ✓ The disclosure statement referenced is the one described in ORC 4735.57

21.2 Delivery of Signed Statement to Seller Side

After the purchaser signs the agency disclosure statement, the licensee must deliver the signed statement to the seller's agent, or directly to the seller if the seller is not represented by an agent. Before presenting the seller with a written offer, lease, or written request for a proposal to lease, the seller's agent (or the purchaser's agent if the seller has no agent) must present the agency disclosure statement to the seller and request the seller to sign and date it.

- ✓ The signed statement must be delivered to the seller's agent, or to the seller directly if unrepresented
- ✓ Before presenting a written offer or lease proposal, the seller must be presented the disclosure statement and asked to sign and date it
- ✓ If the seller is unrepresented, the purchaser's agent must present the statement to the seller

21.3 Accurate Agency Relationship Required

A licensee must indicate the accurate agency relationship on the agency disclosure statement. This ensures all parties understand who each licensee represents in the transaction.

- ✓ The licensee must indicate the accurate agency relationship on the disclosure statement
- ✓ Misrepresenting the agency relationship violates this requirement

21.4 Exemptions from Disclosure Requirements

The disclosure requirements of this section do not apply in four situations: (1) rental or leasing of residential premises (as defined in ORC 5321.01) if the rental/lease agreement can be performed in eighteen months or less; (2) the referral of a prospective purchaser or seller to another licensee; (3) transactions involving the sale, lease, or exchange of foreign real estate (as defined in ORC 4735.01(E)); and (4) transactions involving the sale of a cemetery lot or cemetery interment right.

- ✓ No disclosure required for residential rentals/leases performable in 18 months or less
- ✓ No disclosure required for referral of a prospective purchaser or seller to another licensee
- ✓ No disclosure required for sale, lease, or exchange of foreign real estate
- ✓ No disclosure required for sale of a cemetery lot or cemetery interment right

21.5 Auction Sales Disclosure Requirements

A licensee selling property at auction must, prior to the auction, verbally disclose to the audience that the licensee represents the seller in the real estate transaction. The licensee must also provide the agency disclosure statement (per ORC 4735.57) to the successful bidder before that bidder signs a purchase contract.

- ✓ Prior to the auction, the licensee must verbally disclose to the audience that the licensee represents the seller
- ✓ The agency disclosure statement must be provided to the successful bidder before the bidder signs the purchase contract

21.6 Failure to Comply Is Prima-Facie Misconduct

Evidence that a licensee has failed to comply with ORC 4735.58 constitutes prima-facie evidence of misconduct in violation of division (A)(6) of ORC 4735.18. This means noncompliance can serve as sufficient basis, absent rebuttal, to establish a disciplinary violation.

- ✓ Failure to comply with the disclosure requirements is prima-facie evidence of misconduct
- ✓ The violation falls under ORC 4735.18(A)(6)

21.7 Common Law Duties of the Licensee

The licensee is obligated to perform all duties imposed on a real estate agent at common law, except to the extent those duties are inconsistent with the duties prescribed in Chapter 4735 or are otherwise modified by agreement.

- ✓ Licensees must perform all common-law duties of a real estate agent
- ✓ Common-law duties yield where inconsistent with the duties prescribed in Chapter 4735
- ✓ Common-law duties may be modified by agreement

CHAPTER 22

Section 4735.63 Representing seller in agency relationship - duty to promote interests of client

22.1 Seller Agent's Duty to Seek Acceptable Offers

When representing a seller in an agency relationship, a licensee must actively seek a purchase offer at a price and with terms acceptable to the seller. However, once the property is subject to a contract of sale, lease, or letter of intent to lease, the licensee is not obligated to seek additional offers unless the seller specifically directs the licensee to do so.

- ✓ A seller's agent must seek a purchase offer at a price and terms acceptable to the seller
- ✓ Once a property is under contract, lease, or letter of intent, the licensee need not seek additional offers unless the seller directs otherwise

22.2 Duty to Present All Purchase Offers

A seller's agent must accept delivery of and present any purchase offer to the seller in a timely manner. This obligation continues even if the property is already subject to a contract of sale, lease, or letter of intent to lease. The duty to present offers is mandatory regardless of the property's contract status.

- ✓ All purchase offers must be accepted and presented to the seller in a timely manner
- ✓ The duty to present offers applies even if the property is already under contract, lease, or letter of intent

22.3 Duty to Answer Seller Questions and Provide Information

Within the scope of knowledge required for licensure, a seller's agent must answer the seller's questions and provide information regarding any offers or counteroffers. The agent must also, within that same scope, answer the seller's questions regarding the steps the seller must take to fulfill the terms of any contract.

- ✓ The licensee must answer the seller's questions about offers and counteroffers within the scope of knowledge required for licensure
- ✓ The licensee must answer the seller's questions about the steps needed to fulfill contract terms within licensure scope

22.4 Duty to Assist with Offers and Counteroffers

A seller's agent must assist the seller in developing, communicating, and presenting offers or counteroffers. This is a core promotional duty owed to the client seller within the agency relationship.

- ✓ The licensee must assist the seller in developing offers and counteroffers
- ✓ The licensee must assist in communicating and presenting the seller's offers and counteroffers

22.5 No Breach for Showing Alternative Properties or Serving Other Sellers

A licensee does not breach any duty or obligation to a seller client by showing alternative properties to a prospective purchaser, or by acting as an agent or subagent for other sellers. This protects the ordinary business practice of representing multiple sellers and showing various properties.

- ✓ Showing alternative properties to a prospective purchaser does not breach duties owed to a seller client
- ✓ Acting as an agent or subagent for other sellers does not breach duties owed to a seller client

22.6 Prohibition Against Practicing Law

Nothing in this section permits a licensee to perform any act or service that constitutes the practice of law. Even while fulfilling agency duties such as assisting with offers and answering contract questions, the licensee must stay within licensure scope and not provide legal services.

- ✓ A licensee may not perform any act or service that constitutes the practice of law
- ✓ Agency duties do not authorize a licensee to engage in the unauthorized practice of law

CHAPTER 23

ORC 4735.06(A) - Broker's License Application Filing

23.1 Filing a Broker's License Application

An application for a real estate broker's license must be made to the superintendent of real estate on forms furnished by the superintendent and filed with the superintendent. The application must be signed by the applicant, or by its members or officers if the applicant is an entity. The application must state the name of the person applying and the location of the place of business for which the license is desired, plus any other information the superintendent requires.

- ✓ Applications are made to the superintendent of real estate on forms furnished by the superintendent
- ✓ The application must be signed by the applicant or its members or officers
- ✓ The application must state the applicant's name and the location of the place of business for which the license is desired
- ✓ The applicant must provide any other information the superintendent requires

23.2 Residential Address Requirement and Confidentiality

Each broker application must include the address of the applicant's current residence; if the applicant is not an individual, it must include the current residence address of each of the applicant's members or officers. The superintendent must retain these residential addresses as separate records that are NOT public records under ORC 149.43 (Ohio's public records law).

- ✓ Each application must include the applicant's current residence address
- ✓ If the applicant is an entity, the residence address of each member or officer must be included
- ✓ Residential addresses are retained as separate records and do not constitute public records under ORC 149.43

CHAPTER 24

ORC 4735.56 Written Brokerage Policy on Agency Required - Disclosure to Client

24.1 Requirement to Develop Written Brokerage Policy on Agency

Every brokerage in Ohio must develop a written brokerage policy on agency. This policy must be given to prospective sellers, tenants, and purchasers in accordance with the requirements of ORC 4735.56.

- ✓ Each brokerage SHALL develop a written brokerage policy on agency
- ✓ The policy must be provided to prospective sellers, tenants, and purchasers
- ✓ The policy must comply with the disclosure timing and delivery rules of this section

24.2 Required Contents of the Brokerage Policy on Agency

The brokerage policy on agency must include specific mandatory disclosures explaining agency relationships, brokerage representation policy, dual agency possibilities, in-company representation of both parties, cooperation and compensation policies, and acknowledgement by signature.

- ✓ Must explain permissible agency relationships under ORC 4735.53 and the duties an agent owes a client
- ✓ Must state the brokerage's policy on representation of purchasers or sellers
- ✓ Must disclose whether the brokerage/licensee may act as a dual agent, plus the client's options and consequences, including the right to terminate the relationship and seek other representation
- ✓ Must disclose whether another licensee in the same brokerage may become the exclusive agent for the other party and whether each licensee represents only that client's interests
- ✓ Must state the brokerage's policy on cooperation with other brokerages, including whether it offers or seeks compensation from other brokerages
- ✓ Must state that a brokerage representing a purchaser represents the purchaser's interests even if the seller's agent or seller compensates the purchaser's brokerage
- ✓ Must state that the signature of the purchaser or seller only acknowledges receipt of the policy

24.3 Delivery of Policy to Sellers

A licensee working directly with a seller must provide the brokerage policy on agency at the time the agency agreement is entered into (if an agreement is required under ORC 4735.55), or if no agreement is required, before advertising or showing the seller's real estate. The licensee must obtain the seller's signature acknowledging receipt.

- ✓ Provide the policy at the time of entering an agency agreement if required by ORC 4735.55
- ✓ If no agency agreement is required, provide the policy prior to advertising or showing the seller's real estate
- ✓ Obtain the seller's signature acknowledging receipt unless the seller refuses
- ✓ If the seller refuses to sign, the licensee must note this refusal on the policy

24.4 Delivery of Policy to Purchasers and Timing Triggers

A licensee working directly with a purchaser — whether as the purchaser's agent, seller's agent, or seller's subagent — must provide the brokerage policy on agency and obtain a signature acknowledging receipt. The policy must be delivered prior to the earliest of several specified actions.

- ✓ Applies to a licensee working directly with a purchaser as purchaser's agent, seller's agent, or seller's subagent
- ✓ Must obtain the purchaser's signature acknowledging receipt unless the purchaser refuses; note any refusal on the policy
- ✓ Must provide the policy prior to the EARLIEST of: initiating a prequalification evaluation; requesting specific financial information to determine price range ability; showing real estate other than at an open house; discussing making an offer; submitting an offer on behalf of the purchaser; or entering into an agency agreement under ORC 4735.55
- ✓ Showing property at an open house does NOT trigger the delivery requirement

24.5 Telephone or Electronic Mail Contact Exception

If the earliest triggering event with a purchaser occurs by telephone or electronic mail, the licensee must disclose the nature of the agency relationship (with both seller and purchaser) by that same medium, and then provide the written brokerage policy on agency at the first in-person meeting with the purchaser following that disclosure.

- ✓ If the earliest triggering event is by phone or email, disclose the nature of the agency relationship by that same medium
- ✓ The disclosure must cover the relationship the licensee has with both the seller and the purchaser
- ✓ Provide the written policy at the first meeting with the purchaser following the disclosure

24.6 Seller's Agent Exception for Purchaser Delivery

A licensee acting as a seller's agent is generally not required to provide a purchaser with the brokerage policy on agency, except when one of the triggering events described in division (D) occurs.

- ✓ A seller's agent is not required to give a purchaser the policy in general
- ✓ The exception applies only when a division (D) triggering event occurs with the purchaser

24.7 Transactions Where Policy Requirements Apply

The brokerage policy on agency delivery requirements apply only to specific transaction types: vacant land, residential parcels of one to four units, and longer-term residential leases.

- ✓ Applies to the sale or lease of vacant land
- ✓ Applies to the sale of a parcel of real estate containing one to four residential units
- ✓ Applies to leasing of residential premises (per ORC 5321.01) only if the lease term exceeds eighteen months

CHAPTER 25

Section 4735.32 Investigations

25.1 Three-Year Time Limit to Commence Investigations

The Ohio Real Estate Commission or the Superintendent of Real Estate may commence an investigation into the conduct of a licensee (real estate broker, salesperson, foreign real estate dealer, or foreign real estate salesperson) or an unlicensed person/entity only within three years from the date the alleged violation occurred. This statute of limitations governs disciplinary investigations under ORC Chapter 4735 and related sections.

- ✓ An investigation must be commenced within three years from the date the alleged violation occurred
- ✓ Either the Ohio Real Estate Commission or the Superintendent of Real Estate may commence the investigation
- ✓ Investigations may be authorized under sections 1349.11, 4735.051, 4735.052, 4735.18, or any other section of the Revised Code

25.2 Consequence of Missing the Three-Year Window

If an investigation is not commenced within the three-year period, it is barred. Neither the Commission nor the Superintendent may suspend or revoke a license or take other disciplinary action against any licensee, unlicensed person, or unlicensed entity based on an alleged violation that could have been the subject of the barred investigation.

- ✓ Failure to commence within three years bars the investigation entirely
- ✓ No suspension, revocation, or other disciplinary action may be taken on a barred alleged violation
- ✓ The bar applies to licensees, unlicensed persons, and unlicensed entities alike

25.3 Commencement Date for Complaint-Based Investigations

For investigations authorized under ORC 4735.051, the investigation is considered commenced as of the date a person files the complaint with the Division of Real Estate. This fixes when the three-year limitation clock is satisfied for complaint-driven cases.

- ✓ A 4735.051 investigation is deemed commenced when the complaint is filed with the Division of Real Estate
- ✓ The filing date—not a later action—determines timeliness within the three-year period

25.4 No Effect on Criminal or Civil Liability

Section 4735.32 addresses only administrative/disciplinary investigations. It does not affect any criminal or civil liability that a licensee or unlicensed person may have under the Revised Code or under Ohio common law. The three-year investigation bar does not shield a person from separate criminal prosecution or civil lawsuits.

- ✓ The three-year investigation limit does not affect criminal or civil liability
- ✓ Liability may still exist under other chapters of the Revised Code or under Ohio common law
- ✓ The bar is limited to administrative disciplinary action by the Commission or Superintendent

CHAPTER 26

§ 4735.18(A) Disciplinary Actions – Investigation and Mandatory vs. Discretionary Sanctions

26.1 Superintendent Investigation and Commission Sanctions

The superintendent of real estate may, on the superintendent's own motion, investigate any licensee's conduct. The Ohio Real Estate Commission MUST (shall) impose disciplinary sanctions on any licensee convicted of a felony or a crime of moral turpitude — whether or not the licensee was acting in a real estate capacity or handling their own property. For the other listed prohibited acts, the Commission MAY (discretionary) impose sanctions when the licensee is acting in their capacity as broker/salesperson or handling their own property.

- ✓ A felony or crime of moral turpitude conviction results in MANDATORY discipline, regardless of whether it relates to real estate practice.
- ✓ Discipline for the numbered prohibited acts is DISCRETIONARY and applies to conduct in the licensee's real estate capacity or in handling their own property.
- ✓ The superintendent may investigate any licensee on their own motion.

26.2 Misrepresentation and False Promises

A licensee may be disciplined for knowingly making any misrepresentation, making false promises with intent to influence, persuade, or induce, or engaging in a continued course of misrepresentation or false promises through agents, salespersons, advertising, or otherwise.

- ✓ Knowingly making any misrepresentation is a prohibited act (A)(1).
- ✓ Making false promises with intent to influence, persuade, or induce is prohibited (A)(2).
- ✓ A continued course of misrepresentation/false promises through any means is prohibited (A)(3).

26.3 Improper Dual Agency and Handling of Others' Money

Licensees may not act for more than one party in a transaction except as permitted under § 4735.71 (dual agency rules). They must account for and remit within a reasonable time any money belonging to others that comes into their possession.

- ✓ Acting for more than one party is prohibited unless permitted by and compliant with § 4735.71 (A)(4).
- ✓ Failure within a reasonable time to account for or remit money belonging to others is a violation (A)(5).
- ✓ Dishonest or illegal dealing, gross negligence, incompetency, or misconduct is prohibited (A)(6).

26.4 Fair Housing and Civil Rights Violations

By final court adjudication, violation of municipal or federal civil rights laws or unlawful discriminatory practices under Chapter 4112 relating to the purchase/sale of real estate is a prohibited act, provided it arose from bona fide efforts to buy, sell, or lease real estate. Second or subsequent violations do NOT require a final court adjudication to trigger discipline, and carry escalating mandatory penalties.

- ✓ A first civil rights/discrimination violation requires final court adjudication and must arise from bona fide real estate efforts (A)(7)(a).
- ✓ A second or subsequent violation does NOT require final court adjudication (A)(7)(b).
- ✓ For a second offense, the Commission SHALL suspend the license for a minimum of two months or revoke it.
- ✓ For a subsequent (third+) offense, the Commission SHALL revoke the license.

26.5 Furnishing Copies and Trust Account Requirements

Brokers/salespersons must furnish all parties true copies of listings and agreements at the time each party signs. Brokers must maintain a noninterest-bearing special/trust bank account, separate from personal accounts, in a state-located depository for escrow funds, security deposits, and other fiduciary moneys; a separate interest-bearing trust account is required for property management funds (rents, deposits) with interest paid pro rata to owners.

- ✓ Parties must be furnished true copies of listings/agreements at the time of signing (A)(25).
- ✓ The general trust account must be noninterest-bearing and separate from personal accounts, in a state or federally chartered depository located in Ohio (A)(26).
- ✓ A property management trust account (A)(27) may earn interest, which must be paid pro rata to property owners.
- ✓ The (A)(27) property management account requirement does not apply to brokers not engaged in managing property for owners.
- ✓ The name, account number, and depository location of trust accounts must be submitted in writing to the superintendent.

26.6 License Procurement by Fraud and Compliance Violations

Obtaining a license by fraud, misrepresentation, or deceit is a prohibited act. Violating or failing to comply with §§ 4735.51–4735.74, or willfully disregarding/violating any other provision of Chapter 4735, is also grounds for discipline.

- ✓ Procuring a license by fraud, misrepresentation, or deceit is prohibited (A)(8).
- ✓ Violating §§ 4735.51 to 4735.74 or willfully disregarding any other provision of the chapter is prohibited (A)(9).

26.7 Improper Commissions and Fee Splitting

A broker or salesperson may not demand a commission without reasonable cause to which they are not entitled. Except as permitted by § 4735.20, licensees may not pay or divide commissions/fees with unlicensed persons (unless the person operates as an out-of-state commercial broker/salesperson under § 4735.022).

- ✓ Demanding, without reasonable cause, a commission not entitled to is prohibited (A)(10).
- ✓ Paying or dividing commissions/fees with an unlicensed person is prohibited except as allowed under § 4735.20 (A)(11).
- ✓ Undisclosed commissions, rebates, or direct profits on expenditures made for a principal are prohibited (A)(13).

26.8 Deceptive and Improper Business Practices

Prohibited acts include falsely claiming membership in a professional association, offering inducements beyond the sales contract consideration, offering real estate as a lottery/scheme prize, acting as an undisclosed principal, guaranteeing future resale profits, advertising or placing signs without owner consent, and inducing a party to break a contract to substitute a new one.

- ✓ Falsely representing membership in a professional association is prohibited (A)(12).
- ✓ Offering value beyond the recited consideration or offering property as a lottery/chance prize is prohibited (A)(14).
- ✓ Acting in the dual capacity of licensee and undisclosed principal is prohibited (A)(15).
- ✓ Guaranteeing future resale profits is prohibited (A)(16).
- ✓ Advertising or placing a sign without owner/agent consent is prohibited (A)(17).
- ✓ Inducing a party to break a contract to substitute a new one is prohibited (A)(18).

26.9 Interference with Exclusive Representation and Owner Authority

Licensees may not negotiate directly with a party they know is represented by another broker under a written exclusive agreement (except as provided in § 4735.75), nor offer property for sale/lease without the owner's knowledge and consent or on unauthorized terms.

- ✓ Negotiating directly with a party known to be under a written exclusive agreement with another broker is prohibited, except per § 4735.75 (A)(19).
- ✓ Offering property without owner knowledge/consent or on unauthorized terms is prohibited (A)(20).

26.10 Advertising, Records, and Threats

Misleading or inaccurate advertising, inaccurate account statements/invoices, unjustified threats of legal proceedings to harass competitors, and failure to keep complete and accurate transaction records for three years are all prohibited acts.

- ✓ Publishing misleading/inaccurate advertising is prohibited (A)(21).
- ✓ Failing to keep complete and accurate transaction records for three years from the transaction date is prohibited (A)(24).
- ✓ Unjustified threats of legal proceedings to harass competitors or intimidate customers are prohibited (A)(23).

26.11 Agreements, Judgments, and Accounting Duties

Written agency agreements must contain definite expiration dates. Having an unsatisfied final judgment or lien from real estate conduct, failing to render statements of expenditures on demand, or failing to promptly account to and pay a salesperson their earned commission share are all prohibited.

- ✓ All written agency agreements must contain definite expiration dates (A)(28).
- ✓ An unsatisfied final judgment or lien arising from licensed conduct is a violation (A)(29).
- ✓ Failure to promptly account to and pay a salesperson their earned commission share is prohibited (A)(31).

26.12 Unauthorized Practice, Supervision, and Other Prohibited Acts

Additional prohibited acts include practicing law as determined by a court, being adjudicated incompetent, authorizing an unlicensed person to act as an agent, inserting materially inaccurate terms/false consideration in documents, failing to timely present offers/counteroffers, failing to comply with § 4735.24, acting as a broker without authority or impeding a principal/management-level broker, entering a right-to-list home sale agreement, and violating wholesaler duties under § 5301.95.

- ✓ Performing services constituting the practice of law (as determined by a court) is prohibited (A)(32).
- ✓ Authorizing an unlicensed person to act as an agent is prohibited (A)(34).
- ✓ Failing to inform a client of, or timely present, an offer or counteroffer is prohibited (A)(36).
- ✓ Entering into a right-to-list home sale agreement is prohibited (A)(39).
- ✓ A license revoked/suspended for incompetency adjudication (A)(33) is reactivated upon proof of removal of the disability.

CHAPTER 27

Section 4735.03 - Ohio Real Estate Commission Composition

27.1 Ohio Real Estate Commission Membership and Appointment

The Ohio Real Estate Commission is created under ORC 4735.03. It consists of five members appointed by the governor with the advice and consent of the senate. Four members must have been engaged in the real estate business as licensed real estate brokers in Ohio for the ten years immediately preceding appointment, and one member must represent the public. This composition ensures both industry expertise and public representation on the commission.

- ✓ The commission consists of five members appointed by the governor with senate advice and consent
- ✓ Four members must have been licensed Ohio real estate brokers for the ten years immediately preceding appointment
- ✓ One member must represent the public
- ✓ No more than three members may belong to any one political party
- ✓ No member may concurrently serve on the commission and the real estate appraiser board (ORC 4763.02)

27.2 Commission Member Terms of Office

Members of the Ohio Real Estate Commission serve five-year terms that commence on July 1 and end on June 30. Each member holds office from the date of appointment until the end of their term. Vacancies are filled in the same manner as regular appointments, and a member appointed to fill a vacancy serves only for the remainder of the predecessor's term. A member continues in office after term expiration until a successor takes office or 60 days elapse, whichever occurs first. No member may serve more than two consecutive full terms.

- ✓ Terms of office are five years, commencing July 1 and ending June 30
- ✓ No member may hold office for more than two consecutive full terms
- ✓ A member filling a vacancy serves only the remainder of the predecessor's unexpired term
- ✓ A holdover member continues until a successor takes office or 60 days elapse, whichever occurs first
- ✓ Each member must subscribe to and file the constitutional oath of office with the secretary of state before entering upon duties

27.3 Commission Organization and Quorum

Annually, upon qualification of the member appointed that year, the commission organizes by selecting a president and vice-president from its members. A majority of the members constitutes a quorum for conducting business, though a lesser number may adjourn from time to time. Members receive compensation fixed under ORC 124.14 for each day employed in official duties, plus actual and necessary expenses.

- ✓ The commission organizes annually by selecting a president and vice-president from its members
- ✓ A majority of members constitutes a quorum, but a lesser number may adjourn
- ✓ Members receive per-day compensation fixed under ORC 124.14 plus actual and necessary expenses

CHAPTER 28

ORC 4735.021 Contracts - Fees

28.1 Written Contract for Rental Referral Fees

A licensee who is in the business of referring prospective tenants to possible rental units or locations and who charges the prospective tenant a fee must enter into a written contract with the prospective tenant and give the tenant a copy. The contract must disclose how the listings of rental units were obtained.

- ✓ A licensee charging tenant referral fees must use a written contract
- ✓ The licensee must give the prospective tenant a copy of the contract
- ✓ The contract must disclose the manner in which the rental unit listings were obtained

28.2 Refund of Rental Referral Fees

Every contract must stipulate that any fee charged in excess of ten dollars will be repaid or refunded to the prospective tenant upon demand if the tenant does not obtain a rental conforming to the tenant's specifications through the listings furnished. The refund demand can be made no sooner than 30 days and no later than 60 days after the contract was entered into.

- ✓ Any fee in excess of $10 must be refunded upon demand if no conforming rental is obtained
- ✓ Refund demand may be made no sooner than 30 days after the contract is entered into
- ✓ Refund demand must be made no later than 60 days after the contract is entered into
- ✓ If the rental information furnished is not current or accurate, the FULL fee must be refunded upon demand

28.3 Prohibited Rental Referrals

A licensee may not refer a prospective tenant to any property without the owner's consent, and may not refer a prospective tenant to any nonexistent address.

- ✓ No licensee shall refer a prospective tenant to any property without the owner's consent
- ✓ No licensee shall refer a prospective tenant to any nonexistent address

CHAPTER 29

ORC 4735.141(A) Continuing Education Requirements

29.1 Standard 30-Hour CE Requirement Every Three Years

Each person licensed under section 4735.07 (salesperson) or 4735.09 (broker) must submit proof satisfactory to the superintendent of real estate that they completed 30 hours of continuing education as prescribed by the Ohio Real Estate Commission. Proof is due on or before the licensee's birthday occurring three years after initial licensure, and on or before the licensee's birthday every three years thereafter. Exceptions apply for resigned-status licensees and disabled licensees.

- ✓ 30 hours of CE required every three-year reporting period
- ✓ Deadline is the licensee's birthday three years after initial licensure, then every third birthday thereafter
- ✓ CE must be prescribed by the Ohio Real Estate Commission under section 4735.10
- ✓ Resigned-status licensees (per 4735.142) and disabled licensees (division E) are excepted

29.2 Broker Principal Duties Course Requirement

If a person is licensed as a broker or broker on deposit, or acts as a management level licensee, the required continuing education must include a three-hour course on the duties of a principal broker and other issues involved in operating a real estate brokerage.

- ✓ Brokers, brokers on deposit, and management-level licensees must complete a three-hour principal broker duties course
- ✓ This course is part of (included within) the 30 required CE hours

29.3 Methods of Completing CE and Salesperson-to-Broker Transition

Continuing education may be completed by either classroom instruction or distance education. Salespersons who later become licensed brokers must continue to submit proof of CE according to the same time period (three-year cycle) established in this section.

- ✓ CE may be completed by classroom instruction OR distance education
- ✓ Salespersons who become brokers continue on the same three-year CE reporting schedule

29.4 Reduced CE for Licensees Age 70 or Older

A licensee who is 70 years of age or older within a CE reporting period must complete only 9 hours of continuing education, including instruction in Ohio real estate law; recently enacted state and federal laws affecting the real estate industry; municipal, state, and federal civil rights law; and canons of ethics adopted by the Commission. If licensed as a broker, broker on deposit, or acting as a management level licensee, they must also complete the three-hour principal broker duties course. Proof is due on or before the birthday in the third year of the reporting period. A licensee 70 or older whose license is inactive is exempt from CE requirements.

- ✓ Licensees age 70+ complete only 9 hours of CE (instead of 30)
- ✓ The 9 hours must include Ohio real estate law, recent state/federal laws, civil rights law, and canons of ethics
- ✓ Brokers/management-level licensees age 70+ must still complete the three-hour principal broker course
- ✓ A licensee 70+ with an inactive license is exempt from CE requirements

CHAPTER 30

ORC 4735.24 Earnest money to be maintained in special account

30.1 Duty to Maintain Earnest Money in Trust Account

When earnest money connected to a real estate purchase agreement is deposited in a broker's trust or special account, the broker must keep it in that account in accordance with the terms of the purchase agreement until a specific triggering event permits disbursement. This is a core license-law fiduciary duty regarding trust funds.

- ✓ Broker must maintain earnest money in the trust/special account per the purchase agreement terms
- ✓ Earnest money may only be disbursed upon occurrence of one of the events listed in division (A)

30.2 Permitted Reasons to Disburse Earnest Money

A broker may release earnest money from the trust account only when one of five statutory events occurs: (1) the transaction closes and the broker disburses to the closing/escrow agent or per the agreement; (2) both parties give separate signed written instructions specifying disbursement; (3) the broker receives a final court order specifying who gets the money; (4) a residential record owner cancels under ORC 5301.95(C)(1) and the broker pays the record owner; or (5) the money becomes unclaimed funds and is remitted to the director of commerce.

- ✓ Disbursement at closing is per the escrow agent or the purchase agreement terms
- ✓ Separate written instructions must be signed by BOTH parties
- ✓ A final court order specifying the awardee authorizes disbursement
- ✓ Unclaimed earnest money must be reported and remitted to the director of commerce under ORC 169.03

30.3 Optional Contract Provision for Disputed Earnest Money

A purchase agreement may include a provision that, in a dispute over disbursement, the broker will return the earnest money to the purchaser without notice unless, within two years of the deposit, the broker receives either written instructions signed by both parties or written notice that a court action has been filed.

- ✓ The dispute-resolution provision must be contained in the purchase agreement to apply
- ✓ The broker returns earnest money to the purchaser absent both-party instructions or notice of court action within two years of deposit

30.4 Two-Year Deadline and Unlocatable Purchaser

If the parties dispute disbursement and the agreement contains the division (B) provision, the broker must return the earnest money to the purchaser no later than the first day of September following the two-year anniversary of the deposit, unless the broker received both-party written instructions or notice of a court action. If the purchaser cannot be located when disbursement is due, the broker reports and remits the money as unclaimed funds to the director of commerce under ORC 169.03.

- ✓ Return deadline is the first September 1 after the two-year anniversary of the deposit
- ✓ If the purchaser cannot be located, the broker must report and remit the funds as unclaimed to the director of commerce

CHAPTER 31

ORC 4735.29 Renewals

31.1 Foreign Real Estate License Expiration and Renewal

Every foreign real estate dealer's and salesman's license expires on December 31 of each year. To renew, the licensee must file an application for renewal with the superintendent of real estate and pay the fee prescribed in section 4735.15. The renewal application and fee must be filed not less than 15 nor more than 60 days before the expiration of the old license. The superintendent has discretion to accept a renewal application filed less than 15 days before the expiration of the calendar year. The superintendent must give notice, without unreasonable delay, of his action on any renewal application.

- ✓ Foreign real estate dealer and salesman licenses expire December 31 of each year
- ✓ Renewal application and fee must be filed not less than 15 and not more than 60 days before expiration
- ✓ The superintendent may accept a renewal application filed less than 15 days before expiration
- ✓ The superintendent must give notice without unreasonable delay of action on a renewal application
- ✓ Renewal fee is the fee prescribed in ORC 4735.15

31.2 Mid-Year Issuance of Foreign Dealer License

A foreign real estate dealer's license may be issued at any time during the year for the remainder of the calendar year. Even when issued partway through the year, the annual fee prescribed in section 4735.15 is not reduced or prorated — the full annual fee applies.

- ✓ A foreign real estate dealer's license may be issued at any time for the remainder of the calendar year
- ✓ The annual fee prescribed in ORC 4735.15 is not reduced when issued mid-year (no proration)

CHAPTER 32

ORC 4735.142 License on Permanently Resigned Status

32.1 Applying to Place License in Resigned Status

A person licensed as a broker (under 4735.07) or salesperson (under 4735.09) may apply to the superintendent of real estate and professional licensing to place their license in a permanently resigned status. This application must be made at any time prior to the date the licensee is required to file a notice of renewal under division (B) of section 4735.14.

- ✓ Only persons licensed under 4735.07 (broker) or 4735.09 (salesperson) may apply for permanently resigned status
- ✓ Application must be made before the licensee's renewal notice due date under 4735.14(B)
- ✓ Application is made to the superintendent of real estate and professional licensing

32.2 Reactivating a Permanently Resigned License

A person whose license is in permanently resigned status who later wishes to obtain an active or inactive license must reapply. They must apply in accordance with the full requirements of section 4735.07 (broker) or 4735.09 (salesperson), as applicable, or the rules adopted by the commission under 4735.10(A). There is no simple reinstatement — the person effectively must qualify anew.

- ✓ A resigned license cannot simply be reinstated; the person must reapply for licensure
- ✓ Reapplication must meet requirements of 4735.07 or 4735.09, as applicable, or commission rules under 4735.10(A)
- ✓ Applies whether the person seeks active or inactive licensure

32.3 Voluntary Resignation During Suspension

A licensee whose license has been suspended under certain statutory provisions (4735.07(G), 4735.09(J), 4735.12(E), 4735.14(C), 4735.141(C), or 4735.182) may apply to the superintendent, on a prescribed form, to permanently resign the license voluntarily. Such a resignation is considered final without any action by the superintendent.

- ✓ Application to resign during suspension must use the form prescribed by the superintendent
- ✓ Resignation of a license is final without any action taken by the superintendent
- ✓ Available to licensees suspended under specified ORC provisions

32.4 Broker Notice to Salespersons on Brokerage Closure

If placing a broker's license in permanently resigned status will result in closure of the broker's brokerage, the broker must notify each associated salesperson. Within three days after applying to the superintendent, the broker must provide each salesperson associated with that broker a written notice stating that fact.

- ✓ Notice is required only when resignation results in closure of the brokerage
- ✓ Written notice must be given to each associated salesperson
- ✓ The written notice must be provided within three days after applying to the superintendent

32.5 Exclusions from Permanently Resigned Status

The permanently resigned status option under 4735.142 does not apply to certain licensees. It excludes any licensee whose license has been suspended under division (F) of section 4735.181, or whose license is suspended due to disciplinary action ordered by the commission under section 4735.051.

- ✓ Licensees suspended under 4735.181(F) cannot use permanently resigned status
- ✓ Licensees suspended due to disciplinary action ordered under 4735.051 cannot use permanently resigned status

CHAPTER 33

Section 4735.621 Waiver of Fiduciary Duties

33.1 Non-Waivable Fiduciary Duties Under 4735.62

Ohio law identifies certain core fiduciary duties owed by a licensee to a client that are mandatory and cannot be given up. The duties required of a licensee under section 4735.62 of the Revised Code may NOT be waived by a client under any circumstances. These represent the foundational agency obligations that always apply to the agency relationship.

- ✓ Duties required under ORC 4735.62 may not be waived by a client
- ✓ Section 4735.62 sets forth the fiduciary duties required of all licensees
- ✓ No agreement or signed statement can waive 4735.62 duties

33.2 Waivable Duties Under 4735.63 and 4735.65

Unlike the core 4735.62 duties, the duties required under sections 4735.63 or 4735.65 CAN be waived, but only if specific requirements are met. A licensee must perform these duties unless the client both agrees to waive them AND signs a written waiver of duties statement that complies with division (C). Absent a proper signed waiver, the licensee remains obligated to perform all 4735.63/4735.65 duties.

- ✓ Licensee must perform 4735.63 and 4735.65 duties unless properly waived
- ✓ Waiver requires the client to agree AND sign a waiver of duties statement
- ✓ The signed waiver must comply with division (C) of the section

33.3 Required Contents of the Waiver of Duties Statement

The superintendent of real estate, with the approval of the Ohio Real Estate Commission, establishes by rule the waiver of duties statement. The statement must contain specific elements: (1) the non-waivable fiduciary duties under 4735.62; (2) a list of the waivable 4735.63/4735.65 duties set forth so parties can indicate which are being waived; (3) a statement that no other licensee is required to perform a waived duty for the client; (4) a statement that the client may hire legal counsel or other professionals; and (5) a place for the client and licensee to sign and date.

- ✓ The superintendent of real estate establishes the waiver statement by rule with Ohio Real Estate Commission approval
- ✓ Statement must list the non-waivable 4735.62 fiduciary duties
- ✓ Statement must list waivable 4735.63/4735.65 duties so parties can mark which are waived
- ✓ Statement must note no other licensee is required to perform a waived duty for the client
- ✓ Statement must inform the client they may hire legal counsel or other professionals
- ✓ Statement must include a place for client and licensee to sign and date

CHAPTER 34

ORC 4735.55(B) When a Written Agency Agreement Is Required

34.1 Written Agency Agreement Required Before Key Activities

Under ORC 4735.55(B), a licensee must enter into a written agency agreement BEFORE performing certain activities on behalf of a client involving residential real property. This ensures the agency relationship is documented before representation begins. 'Residential real property' has the meaning in ORC 5302.30, and 'residential premises' and 'tenant' have the meanings in ORC 5321.01.

- ✓ A written agency agreement must be signed before advertising or showing residential real property on behalf of a seller
- ✓ A written agency agreement must be signed before making an offer to purchase residential real property on behalf of a purchaser
- ✓ A written agency agreement must be signed before making an offer to lease residential premises on behalf of a tenant for a term exceeding eighteen months
- ✓ Leases of eighteen months or less do NOT trigger the written agency agreement requirement

CHAPTER 35

ORC 4735.13(A) Definite Place of Business Required

35.1 Broker Must Maintain Definite Place of Business

Every real estate broker licensed under Chapter 4735 must have and maintain a definite place of business in Ohio. A post office box does not qualify as a definite place of business. The broker's license may only authorize business from the location specified on it.

- ✓ Every licensed broker must maintain a definite place of business in Ohio
- ✓ A post office box address does NOT qualify as a definite place of business
- ✓ No license authorizes the licensee to do business except from the location specified in it

35.2 Display of Broker and Branch Licenses

A broker's license must be prominently displayed in the broker's office or place of business. If a broker maintains more than one location in Ohio, the broker must apply for and procure a duplicate license for each branch office, and each branch office license must be prominently displayed at that branch location.

- ✓ The broker's license must be prominently displayed in the office or place of business
- ✓ A duplicate license must be obtained for each branch office maintained in Ohio
- ✓ The branch office license must be prominently displayed at the branch office location

35.3 Branch Office Supervision Requirement

Each branch office must be in the charge of a licensed broker or salesperson, ensuring supervised operation at every location.

- ✓ Each branch office must be in the charge of a licensed broker or salesperson

CHAPTER 36

ORC 4735.023(A) — Oil and Gas Land Professional Registration Requirements

36.1 Registration Exemption for Oil and Gas Land Professionals

An oil and gas land professional who is not otherwise permitted to engage in the activities described in ORC 4735.01(A) (the activities that normally require a real estate license) may perform those activities without a real estate license if they satisfy the registration and disclosure requirements of § 4735.023. This is an alternative registration pathway with the superintendent of real estate rather than full licensure.

- ✓ An oil and gas land professional may perform activities described in ORC 4735.01(A) without a real estate license if they comply with § 4735.023
- ✓ This is a registration-based exemption administered by the superintendent of real estate

36.2 Annual Registration and Fee Requirements

To qualify, the oil and gas land professional must register annually with the superintendent of real estate by the date specified and on a form approved by the superintendent. The form must include the professional's name and address, plus evidence of membership in good standing in a national, state, or local professional organization that has existed at least three years and has developed standards of performance and ethics for oil and gas land professionals as part of its mission. An annual fee, set by the superintendent, not to exceed $100, must accompany the registration.

- ✓ Registration must be renewed annually with the superintendent of real estate
- ✓ The registration form requires name, address, and evidence of good-standing membership in a qualifying professional organization
- ✓ The qualifying organization must have existed at least three years and have developed performance/ethics standards
- ✓ The annual fee cannot exceed one hundred dollars ($100)

36.3 Required Disclosures Upon First Contact

At or prior to first contacting any landowner or other person with an interest in real estate for the purpose of engaging in oil and gas land professional activities, the professional must disclose (on a superintendent-approved form): their registered name and address; that they are registered with the superintendent and a member in good standing of a qualifying professional organization; that they are NOT a licensed real estate broker or salesperson under Chapter 4735; that the landowner may seek legal counsel for any transaction; and that the professional is NOT representing the landowner or other person.

- ✓ Disclosure must be made at or prior to first contact with the landowner or interested person
- ✓ Must disclose that the professional is NOT a licensed real estate broker or salesperson
- ✓ Must disclose that the professional is NOT representing the landowner or other person
- ✓ Must advise that the landowner may seek legal counsel in connection with any transaction
- ✓ Disclosure must be made on a form approved by the superintendent

36.4 Required Disclosures Before Entering Agreements

At or prior to entering into any agreements for exploring, transporting, producing, or developing oil and gas mineral interests (including oil and gas leases and pipeline easements), the professional must again disclose on a superintendent-approved form: registered name and address; registration and good-standing membership status; that they are not a licensed real estate broker/salesperson; that the landowner may seek legal counsel; and that the professional does not represent the landowner or other interested person.

- ✓ A second set of disclosures is required at or prior to entering into any oil/gas agreement, lease, or pipeline easement
- ✓ The disclosure must reaffirm non-licensure, non-representation, and the right to seek legal counsel
- ✓ Disclosures apply to agreements for exploring, transporting, producing, or developing oil and gas mineral interests

CHAPTER 37

ORC 4735.081(A)-(B) Designation of Principal Broker

37.1 Mandatory Designation of Principal Broker

Every brokerage in Ohio must designate at least one of its affiliated brokers to serve as the principal broker, who bears responsibility for the brokerage's operations. Any affiliated broker who is not designated as principal broker is instead classified as an associate broker or a management level licensee for that brokerage.

- ✓ Each brokerage must designate at least one affiliated broker as principal broker
- ✓ An affiliated broker who is not designated as principal broker is an associate broker or management level licensee
- ✓ A single brokerage may have more than one principal broker

37.2 Reporting Change in Principal Broker Designation

When a brokerage changes who it designates as its principal broker, it must notify the superintendent within a set deadline. The change must be reported no later than fifteen days after it occurs.

- ✓ A change in principal broker designation must be reported to the superintendent
- ✓ Report must be made no later than 15 days after the change occurs

CHAPTER 38

§ 4735.01(A) Definition of Real Estate Broker

38.1 Real Estate Broker Definition and Elements

A 'real estate broker' includes any person, partnership, association, LLC, LLP, or corporation (foreign or domestic) who acts FOR ANOTHER, and who does so for a fee, commission, or other valuable consideration (or with the intention/expectation/promise of receiving one). The three essential elements are: (1) acting for another, (2) for compensation, and (3) performing one of the enumerated acts. This applies whether the person acts under a power of attorney or otherwise.

- ✓ Broker status requires acting 'for another' AND for compensation (fee, commission, or valuable consideration)
- ✓ The intention, expectation, or promise of receiving compensation is sufficient — actual payment need not occur
- ✓ The definition applies to individuals and business entities, foreign or domestic

38.2 Enumerated Acts Requiring a Broker License

The statute lists nine categories of activities that constitute acting as a broker: (1) selling, exchanging, purchasing, renting, leasing, or negotiating any of these; (2) offering, attempting, or agreeing to negotiate such transactions; (3) listing or auctioning (or offering/attempting/agreeing to) real estate; (4) dealing in options on real estate; (5) operating, managing, or renting buildings to the public as tenants (other than as custodian, caretaker, or janitor); (6) advertising or holding oneself out as engaged in the real estate business; (7) directing or assisting in procuring prospects or negotiating transactions (other than mortgage financing); (8) charging advance fees for promoting real estate through listing publications; and (9) collecting rental information to refer prospective tenants for a fee.

- ✓ Property management (operating, managing, or renting buildings to the public as tenants) requires a license unless acting as custodian, caretaker, or janitor
- ✓ Advertising or holding oneself out as engaged in the real estate business is itself a licensed activity
- ✓ Mortgage financing procurement is specifically excluded from the 'directing or assisting in procuring prospects' provision
- ✓ Collecting rental information to refer tenants for a fee (rental referral) is a licensed activity

CHAPTER 39

ORC 4735.12(A) — Creation and Funding of the Real Estate Recovery Fund

39.1 Special Assessment for Recovery Fund

The commission may impose a special assessment on licensees to replenish the fund. The assessment cannot exceed $10 per year for each year of a licensing period and is charged to each licensee filing a renewal notice under § 4735.14. The assessment is imposed only if the fund is below $250,000 on the July 1 preceding the filing; no assessment is imposed if the fund exceeds $250,000 on that date.

- ✓ Special assessment cannot exceed $10 per year for each year of a licensing period
- ✓ Assessment is imposed only when the fund is below $250,000 on July 1 preceding filing
- ✓ No assessment is imposed if the fund exceeds $250,000 on July 1 preceding filing
- ✓ Assessment is charged to licensees filing a renewal notice under § 4735.14

39.2 Real Estate Recovery Fund Creation and Administration

The real estate recovery fund is created in the state treasury and administered by the superintendent of real estate. Amounts collected under this section plus interest earned on fund assets are credited to the fund by the treasurer of state. The amount in the fund is determined by the superintendent as of July 1 each year.

- ✓ The recovery fund is administered by the superintendent of real estate
- ✓ Fund balance is ascertained as of the first day of July each year
- ✓ Collected amounts and interest earned are credited to the fund by the treasurer of state

CHAPTER 40

ORC 4735.27(A) Application to Act as Foreign Real Estate Dealer

40.1 Foreign Real Estate Dealer Application Requirements

An application to act as a foreign real estate dealer must be in writing and filed with the superintendent of real estate on the form the superintendent prescribes. It must contain specific identifying and business information about the applicant, including entity structure details, office locations, business history, and current salespersons.

- ✓ The application must be in writing and filed with the superintendent of real estate on the prescribed form
- ✓ Must include the name and address of the applicant
- ✓ If a partnership/unincorporated association, must list names, residence, and business addresses of all partners, officers, directors, trustees, or managers, and any liability limitations
- ✓ If a corporation, must list officers and directors with addresses; a foreign corporation must also provide a copy of its articles of incorporation
- ✓ Must include the location/addresses of the principal office and all other offices
- ✓ Must include a general description of prior business and a list of states where the applicant is a licensed foreign real estate dealer
- ✓ Must include names and addresses of all salespersons at the date of application
- ✓ Must state the nature and places of business for the ten-year period preceding the application

CHAPTER 41

ORC 4735.04 Subpoena Power

41.1 Commission and Superintendent Subpoena Authority

The Ohio Real Estate Commission or the Superintendent of Real Estate has the power to compel the attendance of witnesses and require the production of documents in any matter within their jurisdiction that is the subject of inquiry and investigation. This is a core enforcement tool used during investigations of licensees.

- ✓ The Commission or Superintendent may compel attendance of witnesses by order or subpoena to testify on matters within their jurisdiction
- ✓ They may require the production of any book, paper, or document pertaining to the matter under investigation
- ✓ The subpoena power applies only to matters over which the Commission or Superintendent has jurisdiction and that are subjects of inquiry/investigation

41.2 Powers Equal to County Court Judges

For investigative purposes, the Commission or Superintendent holds the same powers as county court judges, giving significant authority to enforce compliance during real estate license investigations.

- ✓ The Commission or Superintendent has the same power as judges of county courts to administer oaths
- ✓ They may compel attendance of witnesses and punish witnesses for refusal to testify

41.3 Court Enforcement of Subpoenas and Contempt

If a person fails to file a report, obey a subpoena, give testimony, answer questions, or produce records as required, the Commission or Superintendent may apply to the court of common pleas of any county to compel compliance. The court can issue process and, for continued disobedience, order attachment for contempt, potentially resulting in the offender being committed to custody.

- ✓ The court of common pleas of any county may, on application by the Commission or Superintendent, order process of subpoena or subpoena duces tecum compelling a person to appear and testify
- ✓ If a person disobeys the subpoena or court order, the court may issue an attachment for contempt on motion supported by proof
- ✓ Upon a hearing where disobedience appears, the court may order the offender committed and kept in close custody

41.4 Service of Subpoena and Effective Date

A subpoena issued by the Commission or Superintendent may be served in specified ways, and the statute defines exactly when service is deemed complete, which matters for enforcement timelines.

- ✓ Service of the subpoena may be made by sheriffs, constables, or by certified mail with return receipt requested
- ✓ The subpoena is deemed served on the date delivery is made or the date the person refused to accept delivery

CHAPTER 42

Section 4735.02 Requirement of License

42.1 License Required to Act as Broker or Salesperson

Ohio Revised Code § 4735.02(A) prohibits any person, partnership, association, limited liability company, limited liability partnership, or corporation from acting as a real estate broker or real estate salesperson, or advertising or assuming to act as such, without first being licensed under Chapter 4735. This is the foundational license-required rule for Ohio real estate practice. The only exception is provided in section 4735.022 of the Revised Code.

- ✓ No person or entity may act, advertise, or assume to act as a real estate broker or salesperson without first being licensed under Chapter 4735
- ✓ The prohibition applies to persons, partnerships, associations, limited liability companies, limited liability partnerships, and corporations
- ✓ Section 4735.022 provides the only exception to the license requirement
- ✓ Advertising or assuming to act as a broker/salesperson requires a license, not just actually performing services

42.2 Prohibited Practice With Non-Active License Status

Under § 4735.02(A), no person or entity may provide services that require a license under Chapter 4735 if the licensee's license is inactive, suspended, resigned, or a broker's license on deposit, or if the license has been revoked. Merely holding a license is not enough — the license must be in active, valid status to lawfully provide licensed services.

- ✓ Services requiring a license may not be provided if the license is inactive, suspended, resigned, or revoked
- ✓ Services may not be provided if a broker's license is on deposit
- ✓ An active, valid license status is required to lawfully perform real estate services

42.3 No Authority to Practice Law

Nothing in Chapter 4735 shall be construed as authorizing a real estate broker or salesperson to perform any service constituting the practice of law. A licensee's authority is limited to real estate services and does not extend into legal practice.

- ✓ Chapter 4735 does not authorize licensees to perform any service constituting the practice of law
- ✓ A real estate license does not permit a broker or salesperson to practice law

42.4 Restriction on Employing Previously Licensed Persons

Under § 4735.02(B), no partnership, association, limited liability company, limited liability partnership, or corporation holding a real estate license may employ as an officer, director, manager, or principal employee any person who previously held a license as a real estate broker, real estate salesperson, foreign real estate dealer, or foreign real estate salesperson, whose license was placed in inactive or resigned status, or is suspended or revoked, and who has not thereafter reactivated the license or received a new license.

- ✓ A licensed entity may not employ as officer, director, manager, or principal employee a person whose prior license is inactive, resigned, suspended, or revoked
- ✓ The restriction covers former real estate brokers, salespersons, foreign real estate dealers, and foreign real estate salespersons
- ✓ The restriction is lifted only if the person reactivates the license or receives a new license

CHAPTER 43

ORC 4735.51 Agency Relationship - Disclosure Definitions

43.1 Agency and Agency Relationship Defined

Under Ohio license law, 'agency' and 'agency relationship' mean a relationship in which a licensee represents another person in a real estate transaction. This is the foundational concept for all agency duties and disclosure requirements in sections 4735.51 to 4735.74.

- ✓ Agency exists when a licensee represents another person in a real estate transaction
- ✓ These definitions govern sections 4735.51 through 4735.74 of the Revised Code

43.2 Agency Agreement Defined

An 'agency agreement' is a contract between a licensee and a client in which the client promises to pay the broker valuable consideration, or agrees the licensee may receive valuable consideration from another, for performing an act requiring a real estate license.

- ✓ An agency agreement is a contract between a licensee and a client
- ✓ The client promises to pay the broker consideration or allows the licensee to receive it from another
- ✓ It covers acts requiring a real estate license under Chapter 4735

43.3 Client Defined

A 'client' is a person who has entered into an agency relationship with a licensee. This distinguishes clients (who are represented) from customers (who are not).

- ✓ A client has entered into an agency relationship with a licensee
- ✓ Client status triggers the fiduciary and agency duties owed under license law

43.4 Confidential Information Defined

'Confidential information' means all information a client directs to be kept confidential, or information that if disclosed would adversely affect the client's position in the transaction, plus all information required by law to be kept confidential. The agent must still disclose information required by law.

- ✓ Includes information the client directs to be kept confidential
- ✓ Includes information that if disclosed would adversely affect the client's position
- ✓ Includes all information required by law to be kept confidential
- ✓ Excludes information the agent is required by law to disclose

43.5 In-Company Transaction Defined

An 'in-company transaction' is a real estate transaction in which the purchaser and seller are both represented by the same brokerage.

- ✓ Both purchaser and seller are represented by the same brokerage
- ✓ This scenario can give rise to dual agency issues

43.6 Agent and Real Estate Agent Defined

An 'agent' or 'real estate agent' is a person licensed under Chapter 4735 to represent another in a real estate transaction.

- ✓ An agent must be licensed under Chapter 4735
- ✓ An agent represents another person in a real estate transaction

43.7 Affiliated Licensee Defined

An 'affiliated licensee' is a real estate broker or salesperson licensed under Chapter 4735 who is affiliated with a brokerage.

- ✓ An affiliated licensee can be a broker or a salesperson
- ✓ The licensee must be affiliated with a brokerage

43.8 Contemporaneous Offers Defined

'Contemporaneous offers' means offers to purchase or lease on behalf of two or more clients represented by the same licensee for the same property, that the licensee knows, has known, or has reason to know will be considered by the owner during the same period of time.

- ✓ Involves two or more clients represented by the same licensee
- ✓ Applies to offers on the same property
- ✓ Offers are known to be considered by the owner during the same period

43.9 Dual Agency Relationship Defined

A 'dual agency relationship' means any of the dual agency relationships set forth in section 4735.70 of the Revised Code.

- ✓ Dual agency is defined by reference to section 4735.70
- ✓ It refers to representing more than one party in a transaction

43.10 Purchaser Defined

A 'purchaser' is a party in a real estate transaction who is the potential transferee of property, including a person seeking to buy property and a person seeking to rent property as a tenant or lessee.

- ✓ A purchaser is the potential transferee of property
- ✓ The definition includes buyers and prospective tenants/lessees

43.11 Real Estate Transaction Defined

A 'real estate transaction' means any act described in division (A) of section 4735.01 of the Revised Code, or any act related to the execution of such an act.

- ✓ Defined by reference to acts under section 4735.01(A)
- ✓ Includes acts related to executing those acts

43.12 Subagency Defined

'Subagency' and 'subagency relationship' mean an agency relationship in which a licensee acts for another licensee in performing duties for that licensee's client.

- ✓ A subagent acts for another licensee
- ✓ The subagent performs duties for that licensee's client

43.13 Timely Defined

'Timely' means as soon as possible under the particular circumstances. This standard applies to required agency disclosures.

- ✓ Timely means as soon as possible under the circumstances
- ✓ This standard governs when required disclosures must be made

CHAPTER 44

§ 4735.07(A) Administration of the Broker's Examination

44.1 National Testing Services Administer Broker Exam

The superintendent of real estate, with the consent of the Ohio Real Estate Commission, may enter into agreements with recognized national testing services to administer the real estate broker's examination. The exam remains under the superintendent's supervision and control and must be consistent with the content requirements of Chapter 4735.

- ✓ Superintendent may contract with recognized national testing services to administer the broker's exam
- ✓ Agreement requires consent of the Ohio Real Estate Commission
- ✓ Exam stays under the superintendent's supervision and control

CHAPTER 45

ORC 4735.15(A) Nonrefundable Fees for Reactivation or Transfer

45.1 Broker License Reactivation or Transfer Fee

The nonrefundable fee for reactivating or transferring a broker's license into, out of, or between business entities (partnership, association, limited liability company, limited liability partnership, or corporation) is thirty-four dollars. An application for such a transfer must be made to the superintendent of real estate on forms provided by the superintendent.

- ✓ Broker license reactivation or transfer fee is $34 and is nonrefundable
- ✓ Transfer applies to moving a broker's license into/out of or between entities such as partnerships, associations, LLCs, LLPs, or corporations
- ✓ Transfer applications must be submitted to the superintendent of real estate on the superintendent's forms

45.2 Salesperson License Reactivation or Transfer Fee

The nonrefundable fee for a real estate salesperson to reactivate or transfer a license is thirty-four dollars.

- ✓ Salesperson license reactivation or transfer fee is $34
- ✓ This fee is nonrefundable

CHAPTER 46

§ 4735.051(A) Filing and Acknowledgment of Complaints

46.1 Complaint Acknowledgment and Licensee Notice

When a person files a signed written complaint against a licensed real estate broker or salesperson with the Division of Real Estate, the superintendent must promptly acknowledge the complaint and notify the licensee of the acts complained of. Both notices must mention the possibility of an informal mediation meeting.

- ✓ A complaint against a broker or salesperson must be signed and in writing and filed with the Division of Real Estate
- ✓ Within 5 business days of filing, the superintendent must acknowledge receipt to the complainant and send notice to the licensee describing the acts complained of
- ✓ Both notices must state that an informal mediation meeting will be held if both parties request it within 10 business days on the superintendent's form

CHAPTER 47

ORC 4735.14(A) License Term

47.1 License Validity and Term

A real estate license issued under Chapter 4735 remains valid indefinitely without requiring further recommendation or examination. The license continues in effect until a specific triggering event ends its validity. Candidates should understand that Ohio uses a continuing license model rather than requiring re-examination each period.

- ✓ A license is valid without further recommendation or examination
- ✓ Validity ends only when the license is placed in inactive or resigned status, is revoked or suspended, or expires by operation of law

CHAPTER 48

ORC 4735.09(A) Salesperson's Application Requirements

48.1 Filing the Salesperson License Application

An application for a real estate salesperson's license must be submitted to the superintendent of real estate on forms furnished by the superintendent, signed by the applicant, and in the form the superintendent prescribes. It must contain all information required by Chapter 4735 and the rules of the Ohio Real Estate Commission, and must include the applicant's current residence address.

- ✓ Application must be made to the superintendent of real estate on furnished forms and signed by the applicant
- ✓ Application must include the applicant's current residence address
- ✓ The residence address is kept in a separate record that is NOT a public record under ORC 149.43

48.2 Broker's Recommendation Accompanying Application

The application must be accompanied by the recommendation of the real estate broker with whom the applicant is (or intends to be) associated. The broker certifies that the applicant is honest and truthful and has not been finally adjudged by a court to have violated civil rights laws relevant to protecting purchasers or sellers of real estate (unless disclosed), and recommends the applicant be admitted to the salesperson examination.

- ✓ A broker's recommendation must accompany the salesperson application
- ✓ The broker must certify the applicant is honest and truthful
- ✓ The broker recommends the applicant be admitted to the salesperson examination

CHAPTER 49

ORC 4735.28(A) Application for Foreign Real Estate Salesperson's License

49.1 Application Requirements and Contents

An application to act as a foreign real estate salesperson must be in writing, filed with the superintendent of real estate, and in the form the superintendent prescribes. The application must contain specific identifying and background information about the applicant, including their employing dealer and prior licensing history.

- ✓ Application must be in writing and filed with the superintendent of real estate in the prescribed form
- ✓ Must include the applicant's name and complete residence and business addresses
- ✓ Must name the foreign real estate dealer employing or intending to employ the applicant
- ✓ Must disclose the applicant's age, education, and experience in foreign real estate sales
- ✓ Must disclose whether the applicant has ever been licensed or refused a license by the superintendent or any similar authority anywhere
- ✓ Must include the nature of employment and names/addresses of employers for the ten years immediately preceding the application

CHAPTER 50

Section 4735.011 Certification of courses offered by certificate programs through distance education

50.1 Certification of Distance Education Certificate Program Courses

When an institution of higher education is approved under ORC 3332.05 to offer ONLY certificate programs through distance education, the design and delivery method of any course it offers must be certified by an approved certifying body to count as an eligible course under Chapter 4735. Without this certification, the course does not qualify toward Ohio real estate licensing education requirements.

- ✓ Applies to institutions approved under ORC 3332.05 that offer only certificate programs through distance education
- ✓ The course's design and delivery method must be certified to be considered an eligible course under Chapter 4735
- ✓ Acceptable certifying bodies are: the Association of Real Estate License Law Officials (ARELLO), the International Distance Education Certification Center (IDECC), or another certifying body recognized by the superintendent of real estate and professional licensing
- ✓ This section became effective April 9, 2025 (House Bill 238, 135th General Assembly)

CHAPTER 51

Section 4735.30 False Representations of Material or Relevant Facts

51.1 Prohibition on False Representations for Foreign Real Estate Qualification

Ohio Revised Code § 4735.30 prohibits any person from knowingly making, or causing to be made, false representations concerning a material and relevant fact when seeking to qualify foreign real estate under § 4735.25. The prohibition applies to statements made in any form—oral statements, descriptions, applications, or written statements. The key mental state required is 'knowingly,' meaning the false representation must be made with knowledge of its falsity. This is a prohibited act under Ohio license law aimed at ensuring integrity in the qualification of foreign (out-of-state) real estate offered for sale in Ohio.

- ✓ No person shall knowingly make or cause to be made any false representation concerning a material and relevant fact
- ✓ The prohibition applies to oral statements, descriptions, applications, and written statements
- ✓ The false representation must relate to the purpose of securing qualification of foreign real estate under ORC 4735.25
- ✓ The violation requires the 'knowingly' mental state—the person must know the representation is false

CHAPTER 52

ORC 4735.211 Division of Real Estate Operating Fund

52.1 Creation and Funding of the Operating Fund

Ohio Revised Code § 4735.211 creates the Division of Real Estate Operating Fund within the state treasury. This fund is financed by fines and by the fees and charges collected under specified sections of Chapter 4735. All fines imposed under § 4735.051, and all fees and charges collected under § § 4735.06, 4735.09, 4735.13, 4735.15, 4735.25, 4735.27, 4735.28, and 4735.29, must be paid into the state treasury to the credit of this fund. The only exception is fees that are paid instead into the real estate recovery fund. The operating expenses of the Division of Real Estate are paid out of this operating fund.

- ✓ The Division of Real Estate Operating Fund is created in the state treasury and holds fines under § 4735.051 plus fees/charges collected under § § 4735.06, 4735.09, 4735.13, 4735.15, 4735.25, 4735.27, 4735.28, and 4735.29.
- ✓ Fees paid to the real estate recovery fund are excepted and do NOT go into the operating fund.
- ✓ Operating expenses of the Division of Real Estate are paid from the Division of Real Estate Operating Fund.

52.2 Assessment for Department of Commerce Costs

The Division of Real Estate operates under the Ohio Department of Commerce. The operating fund must bear a proportionate share of the Department of Commerce's administrative costs, using procedures set by the Director of Commerce. These assessments are transferred from the Division of Real Estate Operating Fund to the division of administration fund.

- ✓ The operating fund is assessed a proportionate share of the Department of Commerce's administrative costs.
- ✓ Assessment procedures are prescribed by the Director of Commerce, and assessments are paid to the division of administration fund.

CHAPTER 53

ORC 4735.23 Review of Programs

53.1 Authority to Review Real Estate Education Programs

Ohio Revised Code Section 4735.23 grants authority for the review of real estate education and certificate programs. At the request of the superintendent of real estate, the department of higher education (or the state board of career colleges and schools for institutions offering certificate programs) may perform a review of programs offered by an institution of higher education. This review is conducted in consultation with the division of real estate and applies to programs offered under divisions (B)(6)(a) or (b) of section 4735.07 and division (F)(6) of section 4735.09 of the Revised Code.

- ✓ The superintendent of real estate may request a review of real estate education programs offered by institutions of higher education
- ✓ Program reviews are performed by the department of higher education, or by the state board of career colleges and schools for institutions offering certificate programs
- ✓ Reviews must be conducted in consultation with the division of real estate
- ✓ Reviews apply to programs under ORC 4735.07(B)(6)(a)/(b) and ORC 4735.09(F)(6)

53.2 Requesting Information for Program Review

To perform a program review under ORC 4735.23, the superintendent, the chancellor of higher education, or the board may request from the institution any information they consider necessary to complete the review. This ensures oversight authorities have access to whatever documentation is needed to evaluate the quality and compliance of real estate education programs.

- ✓ The superintendent, chancellor of higher education, or board may request any information necessary to perform the review
- ✓ The institution must provide information the reviewing authority considers necessary for the review

CHAPTER 54

§ 4735.07(B) Broker's License Qualifications

54.1 Character and Honesty Requirements

No applicant may take the broker's examination unless they establish to the superintendent's satisfaction that they are honest and truthful, have not been convicted of a disqualifying offense (per ORC 9.79), and have not been finally adjudged to have violated civil rights laws protecting purchasers or sellers of real estate. If adjudged of a civil rights violation, at least two years must have passed and the applicant must prove by a preponderance of evidence that they are now honest and truthful and will not violate the laws again.

- ✓ Applicant must be honest and truthful
- ✓ No conviction of a disqualifying offense as determined under ORC 9.79
- ✓ No final adjudication of violating municipal, state, or federal civil rights laws relevant to protecting real estate purchasers/sellers
- ✓ A civil rights adjudication may be disregarded only after 2 years and proof of rehabilitation by a preponderance of the evidence

54.2 Experience Requirement for Broker Applicants

An applicant must have been a licensed real estate broker or salesperson for at least two of the five years preceding application. Additionally, the applicant must have completed at least twenty real estate transactions in which property was sold for another while acting as a broker or salesperson, OR equivalent experience as defined by commission rules.

- ✓ Must be a licensed broker or salesperson for at least 2 of the 5 years preceding application
- ✓ Must have completed at least 20 real estate transactions selling property for another, OR equivalent experience defined by commission rule

54.3 Education Requirements - Salesperson Licensed Before Aug 1, 2001

An applicant licensed as a salesperson prior to August 1, 2001 must complete at an institution of higher education (classroom or distance): 30 hours real estate practice; 30 hours covering Ohio real estate law, civil rights law, housing discrimination case law, desegregation and remedies; 30 hours real estate appraisal; 30 hours real estate finance; 30 hours financial management; 30 hours human resource/personnel management; 30 hours applied business economics; and 30 hours business law. The law/civil rights course does not apply to applicants admitted to practice before the supreme court.

- ✓ Pre-Aug 1, 2001 salespersons need eight 30-hour courses at an institution of higher education
- ✓ Courses may be taken by classroom instruction or distance education
- ✓ Law/civil rights instruction requirement is waived for applicants admitted to practice before the supreme court

54.4 Education Requirements - Salesperson Licensed On/After Aug 1, 2001

An applicant licensed as a salesperson on or after August 1, 2001 must complete at an institution of higher education: 40 hours real estate practice; 40 hours covering Ohio real estate law and civil rights subjects; 20 hours real estate appraisal; 20 hours real estate finance; plus the financial management, human resource/personnel management, applied business economics, and business law hours specified for pre-2001 applicants. Courses may be classroom or distance education.

- ✓ Post-Aug 1, 2001 salespersons need 40 hours real estate practice and 40 hours real estate law/civil rights
- ✓ Need 20 hours real estate appraisal and 20 hours real estate finance
- ✓ Also need the financial management, HR/personnel, applied business economics, and business law hours from division (B)(6)(a)

54.5 No Prior License Violations

An applicant must not have violated any provision of Chapter 4735 or any rule adopted under it during any period they were licensed. If they did violate such a provision or rule, they must establish to the superintendent's satisfaction that they will not violate it again.

- ✓ No prior violation of Chapter 4735 or its rules while licensed
- ✓ If a prior violation occurred, applicant must prove they will not violate again

54.6 Minimum Age of Eighteen

An applicant for a real estate broker's license must be at least eighteen years of age.

- ✓ Applicant must be at least 18 years old

54.7 Education Exemptions Based on License Date

The education course requirements do not apply to applicants holding a valid salesperson's license issued prior to January 2, 1972. The financial management, HR, business economics, and business law course requirements do not apply to those holding a valid salesperson's license issued prior to January 3, 1984. Appraisal course requirements do not apply to new applicants holding a valid Ohio appraiser license/certificate issued before application. Successful completion is determined by the law in effect when instruction was completed.

- ✓ Pre-Jan 2, 1972 licensees are exempt from all (B)(6) education courses
- ✓ Pre-Jan 3, 1984 licensees are exempt from the business/management course hours
- ✓ Appraisal course is waived for applicants holding a valid Ohio appraiser license/certificate issued before application
- ✓ Completion is judged by the law in effect on the date instruction was completed

CHAPTER 55

ORC 4735.15(B) Nonrefundable Fees for Each Licensing Period

55.1 Broker License Renewal Fee and Brokerage Assessments

Renewal of a three-year real estate broker's license costs two hundred forty-three dollars. If the licensee is a partnership, association, LLC, LLP, or corporation, the full broker's renewal fee is required for each member who is a real estate broker. If the broker has 11 to 20 salespersons associated, an additional brokerage assessment of sixty-four dollars applies. For every additional ten salespersons (or fraction thereof), the brokerage assessment increases by thirty-seven dollars.

- ✓ Three-year broker's license renewal fee is $243
- ✓ Each broker member of an entity must pay the full broker's renewal fee
- ✓ A brokerage with 11-20 associated salespersons is assessed an additional $64
- ✓ The assessment increases by $37 for each additional ten salespersons or fraction thereof

55.2 Salesperson License Renewal Fee

Renewal of a three-year real estate salesperson's license costs one hundred eighty-two dollars.

- ✓ Three-year salesperson's license renewal fee is $182
- ✓ Renewal covers a three-year licensing period

55.3 Late Renewal Filing Penalty

A broker's or salesperson's license renewal filed within twelve months after the licensee's renewal date incurs an additional late filing penalty of fifty per cent of the required three-year fee.

- ✓ Late renewals filed within 12 months of the renewal date carry a penalty of 50% of the required three-year fee
- ✓ The penalty is in addition to the standard renewal fee

55.4 Branch Office License Fee

The nonrefundable fee for a branch office license is twenty dollars per licensing period.

- ✓ Branch office license fee is $20
- ✓ Fee applies for each licensing period

55.5 Foreign Real Estate Dealer and Salesperson Fees

A foreign real estate dealer's license and each renewal costs thirty dollars per salesperson employed by the dealer, but not less than two hundred three dollars. A foreign real estate salesperson's license and each renewal costs sixty-eight dollars.

- ✓ Foreign real estate dealer's license/renewal is $30 per employed salesperson, minimum $203
- ✓ Foreign real estate salesperson's license/renewal is $68

CHAPTER 56

§ 4735.10(A)(2) Mandatory Rules of the Commission

56.1 Commission's Mandatory Rulemaking Duties

The Commission SHALL (must) adopt reasonable rules under Chapter 119 for issuance, renewal, suspension, and revocation of licenses; other sanctions for violations; conduct of hearings; license reactivation; and the three-year license/renewal system. This is mandatory authority.

- ✓ The Commission SHALL adopt rules for issuance, renewal, suspension, and revocation of licenses
- ✓ Rules must establish a three-year license and three-year license renewal system
- ✓ Rules must cover sanctions for violations, conduct of hearings, and the process of reactivating a license
- ✓ Rules must address notice of renewal forms and filing deadlines and special assessments under R.C. 4735.12(A)

56.2 Trust and Property Management Account Rules

The Commission must adopt rules on trust accounts and property management accounts. Brokerages managing property for others may, under a written contract with the owner, exercise signatory authority for withdrawals from property management accounts held in the owner's name without violating R.C. 4735.18(A). Interest earned belongs to the property owner unless otherwise agreed in writing.

- ✓ A written contract with the property owner is required for a brokerage to exercise signatory authority over the owner's property management account
- ✓ Exercising such withdrawal authority is not a violation of R.C. 4735.18(A)
- ✓ Interest earned on property management trust accounts is payable to the property owner unless a written contract specifies otherwise

56.3 Education Course Approval Standards

The Commission must adopt rules setting standards for approval of postlicensure courses (required under R.C. 4735.07(G) and 4735.09(J)), prelicense courses of study, exam-prep courses, and continuing education. CE classes must be open to all persons licensed under the chapter.

- ✓ Rules must set standards for postlicensure, prelicense, exam-prep, and continuing education courses
- ✓ Continuing education classes must be open to all licensees under Chapter 4735
- ✓ A sponsoring organization may offer its members a reasonable reduction in class fees

CHAPTER 57

ORC 4735.022(B) Out-of-State Commercial Salesperson Requirements

57.1 Out-of-State Commercial Salesperson Conditions

An out-of-state commercial salesperson may perform acts requiring an Ohio salesperson license for commercial real estate only if all conditions are met: the salesperson must be licensed under and directly supervised by the out-of-state commercial broker; that broker must itself satisfy all of division (A); the salesperson must provide a current certificate of good standing; and the salesperson may collect money only in the broker's name and with the broker's consent.

- ✓ The salesperson must be licensed with and work under the direct supervision of the out-of-state commercial broker
- ✓ The associated out-of-state broker must meet all requirements of division (A)
- ✓ The salesperson must provide the cooperating Ohio broker a current certificate of good standing from the jurisdiction where the salesperson holds an active license
- ✓ The salesperson may collect money (commissions, deposits, payments, rentals) only in the name of and with the consent of the out-of-state broker under whom licensed

CHAPTER 58

ORC 4735.14(B) Notice of Renewal

58.1 Renewal Filing Requirements and Deadlines

Each licensed broker, brokerage, or salesperson must file a notice of renewal on a form prescribed by the superintendent, on or before the deadline the Ohio Real Estate Commission adopts by rule for that licensee. Licensees in resigned status under 4735.142 are exempt. The superintendent must send the renewal notice two months before the deadline to the licensee's electronic mail address on file (or the brokerage's business email for entities). A licensee cannot renew earlier than two months before the filing deadline.

- ✓ A notice of renewal must be filed on or before the commission-adopted deadline on a superintendent-prescribed form
- ✓ The superintendent sends the renewal notice two months prior to the filing deadline to the email on file
- ✓ A licensee may not renew earlier than two months prior to the filing deadline
- ✓ Licensees in resigned status under section 4735.142 are exempt from the renewal filing requirement

CHAPTER 59

ORC 4735.65(B) Contemporaneous Offers and Showing Multiple Buyers

59.1 Contemporaneous Offers Do Not Breach Duty

A licensee does not breach any duty to the purchaser by showing the same properties to other purchasers or by preparing/presenting contemporaneous offers to purchase or lease the same property. Before preparing a contemporaneous offer, the licensee must disclose that fact to all clients for whom the licensee is preparing or presenting (or has prepared/presented) contemporaneous offers on the same property, and must refer to another licensee any client who requests such referral.

- ✓ Showing the same property to multiple buyers or preparing contemporaneous offers is not a breach of duty
- ✓ Before preparing a contemporaneous offer, the licensee must disclose that fact to all affected clients
- ✓ The licensee must refer to another licensee any client who requests referral

59.2 Form and Confidentiality of Contemporaneous Offer Disclosure

The required disclosure of contemporaneous offers must be provided in writing unless written disclosure cannot be delivered in a timely manner, in which case it may be given verbally. Disclosing the fact of contemporaneous offers does not breach confidentiality, but the licensee must keep confidential between the purchasers the identity of the purchasers and the terms of their offers.

- ✓ Contemporaneous offer disclosure must be in writing unless timely written delivery is impossible, then it may be verbal
- ✓ Disclosing the fact of contemporaneous offers is not a breach of confidentiality
- ✓ The identity of the purchasers and the terms of their offers must remain confidential between the purchasers

CHAPTER 60

ORC 4735.28(B) Written Examination

60.1 Foreign Real Estate Salesperson Examination

Every applicant must take a written examination prescribed and conducted by the superintendent. The exam covers principles of real estate practice, real estate law, financing and appraisal, real estate transactions and instruments, canons of business ethics, and the duties of foreign real estate salespersons. There is a set fee and specific rules for missed exams and retakes.

- ✓ Every applicant must pass a written examination prescribed and conducted by the superintendent
- ✓ The examination fee, when administered by the superintendent, is sixty-eight dollars
- ✓ If an applicant fails to appear, the fee is forfeited and a new application and fee must be filed unless good cause is shown
- ✓ An applicant who fails the examination twice must wait six months before applying to retake it
- ✓ Exam covers real estate practice principles, law, financing, appraisal, transactions/instruments, business ethics, and salesperson duties

CHAPTER 61

ORC 4735.05(B) Duties of the Superintendent

61.1 Mandatory Duties of the Superintendent

The superintendent shall administer Chapter 4735, issue all orders necessary to implement the chapter, investigate complaints about violations or licensee conduct, maintain an investigation and audit section, appoint hearing examiners for disciplinary proceedings, and administer the real estate recovery fund.

- ✓ The superintendent must administer Chapter 4735 and issue all necessary orders
- ✓ The superintendent must investigate complaints concerning violations or licensee conduct
- ✓ The superintendent must establish and maintain an investigation and audit section
- ✓ The superintendent must appoint a hearing examiner for disciplinary proceedings under sections 3123.47, 4735.052, or 4735.18
- ✓ The superintendent must administer the real estate recovery fund

61.2 Investigation and Audit Authority

The investigation and audit section conducts inspections, audits, and other inquiries to enforce the chapter. Investigators and auditors have the right to review and audit the business records of licensees and continuing education course providers during normal business hours.

- ✓ Investigators/auditors may review and audit business records of licensees and CE course providers
- ✓ Reviews and audits are conducted during normal business hours

CHAPTER 62

§ 4735.16(B) Advertising Requirements

62.1 Advertising property the licensee does not own

Any licensed broker or salesperson who advertises to buy, sell, exchange, or lease real estate (or to engage in any act regulated by the chapter) with respect to property the licensee does NOT own must be identified in the advertisement by name and must indicate the name of the brokerage with which the licensee is affiliated.

- ✓ Advertisements for property the licensee does not own must identify the licensee by name
- ✓ The advertisement must also state the name of the affiliated brokerage

62.2 Advertising property the licensee owns (agent-owned)

Any licensed broker or salesperson who advertises to sell, exchange, or lease property that the licensee OWNS must be identified by name and must indicate that the property is 'agent owned.' If that property is listed with a real estate brokerage, the advertisement must also indicate the name of the brokerage with which the property is listed.

- ✓ Advertisements for property the licensee owns must be identified by name and disclose that the property is 'agent owned'
- ✓ If the licensee-owned property is listed with a brokerage, the ad must also name that brokerage

62.3 Equal prominence of brokerage name

The name of the brokerage must be displayed in equal prominence with the name of the salesperson in the advertisement. 'Brokerage' means the name the real estate company or sole broker is doing business as, or, if no such trade name is used, the name of the real estate company or sole broker as licensed.

- ✓ The brokerage name must appear with equal prominence to the salesperson's name in advertising
- ✓ 'Brokerage' is defined as the DBA name, or the licensed name if no DBA is used

62.4 Prohibition on false 'for sale by owner' advertising

A broker representing a seller under an exclusive right to sell or lease listing agreement must not advertise the property to the public as 'for sale by owner' or otherwise mislead the public into believing the seller is not represented by a real estate broker.

- ✓ A broker with an exclusive right to sell/lease listing cannot advertise the property as 'for sale by owner'
- ✓ A broker cannot mislead the public into thinking the seller is unrepresented

62.5 Improper advertising is prima-facie violation

If any broker or salesperson advertises in a manner other than as provided in this section or its rules, that advertisement is prima-facie evidence of a violation under division (A)(21) of section 4735.18 of the Revised Code. The superintendent may then initiate disciplinary action under 4735.051 (per Chapter 119) or serve a citation on the licensee.

- ✓ Non-compliant advertising is prima-facie evidence of a violation under R.C. 4735.18(A)(21)
- ✓ The superintendent may either initiate disciplinary action or serve a citation upon the licensee

CHAPTER 63

ORC 4735.57(B) Duties of a Dual Agent - Required Disclosures

63.1 Nature of the Dual Agency Relationship

The disclosure statement must explain the nature of a dual agency relationship, including that when serving as a dual agent, licensees in the brokerage represent two clients whose interests are, or at times could be, different or adverse. It must also disclose that as a result, the dual agent may not be able to advocate on behalf of a client to the same extent as if representing only one client.

- ✓ A dual agent represents two clients whose interests may be different or adverse
- ✓ A dual agent may not advocate for a client to the same extent as when representing only one client

63.2 Duties Owed and Confidentiality in Dual Agency

The statement must describe the duties the brokerage and its affiliated licensees and employees owe to each client, including the duty of confidentiality. It must also state that as a dual agent, the brokerage cannot engage in conduct contrary to the interests or instructions of one party or act in a biased manner on behalf of one party.

- ✓ The duties owed to each client, including the duty of confidentiality, must be described
- ✓ A dual agent cannot act contrary to one party's interests/instructions or in a biased manner toward one party

63.3 Client's Right to Refuse Dual Agency

The statement must inform the client that consent to the dual agency relationship is not mandatory, and must explain the options available if the client does not consent, including the right to terminate the agency relationship and seek representation from another source.

- ✓ A client does not have to consent to a dual agency relationship
- ✓ If a client refuses consent, options include terminating the agency relationship and seeking representation from another source

63.4 Material Relationship Disclosure

The statement must disclose that neither the brokerage nor its affiliated licensees have any material relationship with either client other than incidental to the transaction, or, if such a relationship exists, disclose its nature. A 'material relationship' means any actually known personal, familial, or business relationship between the brokerage or an affiliated licensee and a client that could impair the ability to exercise lawful and independent judgment relative to another client.

- ✓ Any material relationship beyond that incidental to the transaction must be disclosed
- ✓ 'Material relationship' means an actually known personal, familial, or business relationship that could impair independent judgment relative to another client

63.5 Source of Compensation Disclosure

The dual agency disclosure statement must contain a section specifying the source of compensation to the real estate broker.

- ✓ The statement must include a section specifying the source of the broker's compensation

63.6 Voluntary Informed Consent to Dual Agency

The statement must confirm that consent to the dual agency relationship was given voluntarily, that the client's signature indicates informed consent, and that the dual agent duties disclosed under division (B) have been read and understood by the client.

- ✓ Consent to dual agency must be given voluntarily and the signature indicates informed consent
- ✓ The client's signature confirms the dual agent duties disclosed under division (B) have been read and understood

CHAPTER 64

ORC 4735.06(B) - Entity Applicants and Trade Names

64.1 Trade Name Approval for Brokerages

The superintendent must approve a brokerage's use of a trade name if it meets two criteria: (a) the name is clearly distinguishable from a name registered by another existing brokerage (or the existing brokerage files written consent), and (b) the name is not misleading or likely to mislead the public. The superintendent may approve more than one trade name for a brokerage. Once approved, the approved trade names are the ONLY identifying names the brokerage may use in all advertising.

- ✓ A trade name must be clearly distinguishable from another existing brokerage's registered name, or written consent must be filed
- ✓ A trade name must not be misleading or likely to mislead the public
- ✓ A brokerage may be approved to use more than one trade name
- ✓ Approved trade names must be the only identifying names used in all of the brokerage's advertising

64.2 Entity Applicant Name Disclosure Requirements

If the applicant is a partnership, limited liability company, limited liability partnership, or association, the names of all members must be stated. If the applicant is a corporation, the names of its president and each of its officers must be stated.

- ✓ Partnerships, LLCs, LLPs, and associations must state the names of all members
- ✓ Corporations must state the names of the president and each officer

64.3 Superintendent's Right to Reject Misleading Names

The superintendent may reject an entity's application if the proposed name is likely to mislead the public, or if the name is not distinguishable from the name of an existing entity licensed under Chapter 4735. Rejection can be avoided if the applicant files the written consent of the existing similarly-named entity, executed by its duly authorized representative, permitting use of the name.

- ✓ The superintendent may reject a name likely to mislead the public
- ✓ The superintendent may reject a name not distinguishable from an existing licensed entity's name
- ✓ Written consent from the existing entity permits use of a similar name

CHAPTER 65

Section 4735.03 - Powers and Duties of the Commission

65.1 Mandatory Duties of the Commission

ORC 4735.03 lists duties the commission SHALL perform. These include adopting canons of ethics for the real estate industry; reviewing (on appeal or its own motion) and reversing, vacating, or modifying orders of the superintendent; administering and hearing appeals regarding claims against the real estate recovery fund; directing the superintendent on real estate course content, scheduling, and offerings for salesperson and broker education requirements; disseminating information about commission activities; notifying licensees of civil rights law changes; publishing housing/remedy booklets; and providing training to commission members and division employees.

- ✓ The commission SHALL adopt canons of ethics for the real estate industry
- ✓ The commission may review, reverse, vacate, or modify any order of the superintendent upon appeal or on its own motion
- ✓ The commission administers and hears appeals from superintendent orders on claims against the real estate recovery fund
- ✓ The commission directs the superintendent on content, scheduling, and offerings of salesperson and broker education courses
- ✓ The commission must notify licensees of civil rights law changes and warn that noncompliance may result in disciplinary action

65.2 Investigation and Enforcement Powers

The commission or the superintendent of real estate may investigate complaints concerning violations of ORC 4735.02 (unlicensed activity) or 4735.25, and may subpoena witnesses in connection with such investigations as provided in ORC 4735.04. They may also apply to the appropriate court for an order enjoining violations. Upon a showing that any person, firm, partnership, association, LLC, LLP, or corporation has violated or is about to violate these sections, the court shall grant an injunction, restraining order, or other appropriate order.

- ✓ The commission or superintendent may investigate complaints of violations of ORC 4735.02 or 4735.25
- ✓ They may subpoena witnesses as provided in ORC 4735.04
- ✓ They may apply to the appropriate court to enjoin violations, and the court shall grant an injunction or restraining order upon a proper showing

CHAPTER 66

ORC 4735.55(C) Required Contents of the Written Agency Agreement

66.1 Mandatory Contents of Written Agency Agreements

ORC 4735.55(C) lists all items that a written agency agreement must contain. Exam candidates should memorize these required components, which include an expiration date, fair housing statements, blockbusting definition, the HUD equal housing opportunity logo, appointment/exclusivity language, and compensation terms.

- ✓ Must contain a definite expiration date
- ✓ Must contain a fair housing statement referencing Ohio fair housing law (ORC 4112.02(H)) and federal fair housing law (42 U.S.C.A. 3601)
- ✓ Must contain a statement defining 'blockbusting' and stating that it is illegal
- ✓ Must include a copy of the HUD equal housing opportunity logotype (24 C.F.R. 109.30)
- ✓ Must state that the licensee is appointed as agent of the client and indicate whether the relationship is exclusive or nonexclusive
- ✓ Must state the terms by which the broker is to be compensated
- ✓ Must contain a conspicuous statement that broker fees and commissions are not set by law, are fully negotiable, and may be paid by the seller, buyer, landlord, tenant, or third party, or split between brokers

CHAPTER 67

ORC 4735.13(B) Care of Salesperson Licenses and Termination Notice

67.1 Broker Holds Salesperson License

Each real estate salesperson's license is electronically mailed to and remains in the possession of the licensed broker with whom the salesperson is associated. The broker keeps it until the licensee places the license on inactive/resigned status or the salesperson leaves or is terminated. The broker must keep a copy available for immediate public inspection on request at the broker's office.

- ✓ A salesperson's license is electronically mailed to and held by the associated broker
- ✓ The broker retains the license until it is placed on inactive/resigned status or the salesperson leaves/is terminated
- ✓ The broker must keep a copy of each salesperson's license immediately available for public inspection on request

67.2 Notice of Salesperson Departure or Termination

Immediately upon a salesperson leaving or being terminated, the broker must notify the superintendent of real estate by electronic mail to the division's general email address (except as provided in divisions (G) and (H)). The broker must keep a copy of the written notification for three years. Failure to notify within three business days of a written request from the superintendent is prima-facie evidence of misconduct under ORC 4735.18(A)(6).

- ✓ The broker must notify the superintendent by electronic mail immediately when a salesperson leaves or is terminated
- ✓ The broker must keep a copy of the notification for three years
- ✓ Failure to notify within three business days of a written request is prima-facie evidence of misconduct under ORC 4735.18(A)(6)

CHAPTER 68

ORC 4735.081(C) Duties of the Principal Broker

68.1 Oversight and Supervision Duties of Principal Broker

The principal broker must oversee and direct the operations of the brokerage and generally oversee the licensed activity of all affiliated licensees. This includes ensuring affiliated licensees provide real estate services only within their area of competency, or that they work with another affiliated licensee who possesses that competency. The principal broker must also establish practices and procedures to ensure only affiliated licensees perform and are compensated for licensed activity, and to ensure compliance with advertising requirements.

- ✓ Principal broker must oversee and direct the operations of the brokerage
- ✓ Principal broker must generally oversee licensed activity of affiliated licensees
- ✓ Must ensure licensees work within their area of competency or with a competent affiliated licensee
- ✓ Must establish procedures so only affiliated licensees perform and are compensated for licensed activity
- ✓ Must establish procedures ensuring compliance with advertising requirements

68.2 License, Office and Trust Account Compliance Duties

The principal broker is responsible for meeting office requirements, displaying the fair housing statement in offices and on required pamphlets, renewing and maintaining the licenses of the brokerage, branch offices, and affiliated licensees, and returning the licenses of terminated licensees. The principal broker must also comply with trust/special bank account requirements and maintain complete and accurate trust account and transaction records.

- ✓ Must comply with statutory office requirements
- ✓ Must display the fair housing statement in offices and on required pamphlets
- ✓ Must renew and maintain brokerage, branch, and affiliated licensee licenses and pay required fees
- ✓ Must return licenses of terminated salespersons and brokers
- ✓ Must comply with trust/special bank account requirements and maintain accurate trust and transaction records
- ✓ Must pay affiliate licensees as required by law

CHAPTER 69

§ 4735.01(B)-(G) Key Statutory Definitions

69.1 Real Estate Salesperson Definition

A 'real estate salesperson' means any person associated with a licensed real estate broker to do or deal in any acts or transactions comprehended by the definition of a real estate broker, for compensation or otherwise. A salesperson must be associated with a licensed broker.

- ✓ A salesperson must be associated with a LICENSED real estate broker
- ✓ A salesperson performs the same acts as a broker but under a broker's supervision

69.2 Definition of Real Estate

'Real estate' includes leaseholds and any and every interest or estate in land situated in Ohio, whether corporeal or incorporeal, freehold or nonfreehold, plus the improvements on the land. It specifically EXCLUDES cemetery interment rights.

- ✓ Real estate includes leaseholds and both freehold and nonfreehold interests, corporeal or incorporeal
- ✓ Cemetery interment rights are NOT included in the definition of real estate
- ✓ Real estate must be situated in this state (Ohio) to fall under this definition

69.3 Foreign Real Estate and Foreign Dealers

'Foreign real estate' means real estate NOT situated in Ohio and any interest in such real estate. A 'foreign real estate dealer' does or deals in acts under division (A) with respect to foreign real estate. A 'foreign real estate salesperson' is a person associated with a licensed foreign real estate dealer performing such acts for compensation or otherwise.

- ✓ Foreign real estate is real estate located OUTSIDE Ohio
- ✓ A foreign real estate salesperson must be associated with a licensed foreign real estate dealer
- ✓ Foreign real estate dealers perform the same enumerated acts but with respect to out-of-state property

CHAPTER 70

ORC 4735.12(B) — Eligibility and Application for Recovery

70.1 Who May Recover From the Fund

A person who obtains a final judgment in a court of competent jurisdiction against a licensed broker or salesperson, based on conduct violating Chapter 4735 or its rules and associated with an act only a licensed broker or salesperson may perform, may file a verified application in the Franklin County Court of Common Pleas for payment of the unpaid portion of the judgment representing actual and direct loss.

- ✓ A final judgment against a licensed broker or salesperson is required
- ✓ The judgment must be based on conduct violating Chapter 4735 or its rules
- ✓ The application must be filed in the Franklin County Court of Common Pleas
- ✓ Only the actual and direct loss portion of the unpaid judgment is recoverable

70.2 Damages Not Recoverable From the Fund

Punitive damages, attorney's fees, and interest on a judgment are NOT recoverable from the fund. Court costs may be recovered only at the discretion of the superintendent; if the superintendent authorizes it, the court's order may direct payment of court costs from the fund.

- ✓ Punitive damages, attorney's fees, and interest are not recoverable from the fund
- ✓ Court costs may be recovered only at the superintendent's discretion
- ✓ Only actual and direct losses are recoverable

70.3 Requirements to Obtain a Payment Order

The court orders payment from the fund only when the applicant shows: (a) a qualifying judgment was obtained; (b) all appeals are exhausted and notice was given to the superintendent; (c) the applicant is not the judgment debtor's spouse or that spouse's personal representative; (d) the applicant diligently pursued remedies against all judgment debtors and others liable; and (e) the application is made within one year after termination of all proceedings including appeals.

- ✓ All appeals from the judgment must be exhausted before recovery
- ✓ The applicant cannot be the spouse of the judgment debtor or that spouse's representative
- ✓ The applicant must diligently pursue remedies against all judgment debtors and liable persons
- ✓ Application must be made within one year after termination of all proceedings including appeals

70.4 Exclusions From Recovery Fund Coverage

Recovery provisions do not apply to: actions arising from property management accounts held in the property owner's name; a bonding company that is not a principal in the transaction; a person seeking payment of a commission or fee for performing a licensed act; or losses by real estate investors where the applicant and licensee are both principals in the investment.

- ✓ Property management accounts held in the owner's name are excluded
- ✓ Claims for unpaid commissions or fees are not recoverable from the fund
- ✓ Losses where applicant and licensee are both investment principals are excluded
- ✓ Bonding companies not acting as a principal are excluded

CHAPTER 71

§ 4735.20(B) Cooperation with Out-of-State Brokers

71.1 Paying/Receiving Commissions from Other States

A licensed Ohio broker or foreign real estate dealer may pay a commission to, and receive a commission from, a licensed broker or foreign dealer of another state or country. However, this is permitted ONLY when done in accordance with rules adopted by the Ohio Real Estate Commission pursuant to § 4735.10.

- ✓ An Ohio broker may pay or receive commissions to/from out-of-state or foreign licensed brokers
- ✓ Such cooperation must follow rules adopted by the Ohio Real Estate Commission under § 4735.10

CHAPTER 72

§ 4735.051(B)-(C) Informal Mediation Meeting

72.1 Informal Mediation Meeting Process

If both the complainant and licensee request mediation, the superintendent schedules an informal mediation meeting with an investigator. If an accommodation is reached, the file is closed. If parties don't agree to meet or fail to reach accommodation, the superintendent investigates the licensee's conduct.

- ✓ The mediation meeting must be scheduled within 20 business days, with either party allowed an extension of up to 15 business days for good cause
- ✓ If parties reach an accommodation at mediation, the investigator reports it and the complaint file is closed
- ✓ If parties fail to agree to mediate or fail to reach accommodation, the superintendent must notify them within 5 business days and investigate the licensee's conduct

CHAPTER 73

ORC 4735.25(B) Application to Qualify Foreign Real Estate

73.1 Contents of Qualification Application

A person desiring to sell, lease, or deal in foreign real estate must file an application with the superintendent of real estate in the prescribed form. The application must include detailed disclosures about the property, owners, encumbrances, improvements, sales terms, and commissions.

- ✓ The application must include an exact description of the foreign real estate and a surveyor-prepared map or plat showing boundaries and dimensions
- ✓ The application must disclose owner names, financial responsibility, addresses, and corporate documents where applicable
- ✓ The application must list all liens and encumbrances, improvements/developments, use restrictions, contract forms and terms, sales prices, and all commissions or compensation to dealers/salespersons
- ✓ The superintendent may require other additional information

CHAPTER 74

ORC 4735.09(B)-(C) Application Fees and Examination Retakes

74.1 Salesperson Application Fee

A nonrefundable fee of eighty-one dollars must accompany the application. This fee includes the fee for the initial year of the licensing period if a license is issued. The initial year begins when the license is issued and ends on the applicant's first birthday thereafter. Each successive application requires another eighty-one dollar fee.

- ✓ An $81 fee must accompany the application and is nonrefundable
- ✓ The initial licensing year runs from issuance until the applicant's first birthday thereafter
- ✓ Each successive application costs an additional $81

74.2 Unlimited Examination Retakes

There is no limit on the number of times an applicant may retake the salesperson examination.

- ✓ There is no limit on the number of examination retakes
- ✓ Applicants may retake the salesperson exam as many times as needed

CHAPTER 75

§ 4735.18(B)–(E) Broker Liability, Foreign Dealers, Penalty Suspension, and Marijuana Exception

75.1 Broker Liability for Affiliated Salesperson

When the Commission imposes sanctions for a salesperson's violation, it may also impose sanctions on the affiliated broker if the Commission finds the broker had knowledge of the salesperson's violating actions. The same principle applies to foreign real estate dealers whose affiliated salespersons violate the section.

- ✓ A broker may be sanctioned for an affiliated salesperson's violation only if the broker had knowledge of the actions (B).
- ✓ Foreign real estate dealers may likewise be disciplined for an affiliated salesperson's violations with knowledge (C).
- ✓ Foreign real estate dealers/salespersons are subject to discipline for the same acts insofar as they pertain to foreign real estate (C).

75.2 Suspension of Penalty and Marijuana Activity Exception

The Commission may suspend, in whole or in part, the imposition of a license-suspension penalty. Additionally, a licensee representing a party or handling brokerage trust funds in a transaction involving property used for medical or adult-use marijuana under Chapter 3796 is NOT subject to discipline solely for engaging in otherwise-permitted activities related to Chapter 3796.

- ✓ The Commission may suspend, in whole or in part, imposition of a license-suspension penalty (D).
- ✓ A licensee is not subject to discipline solely for engaging in permitted activities related to lawful marijuana operations under Chapter 3796 (E).

CHAPTER 76

ORC 4735.141(B) Approved CE Providers

76.1 CE Must Be Completed at Commission-Approved Providers

Continuing education must be completed in schools, seminars, and educational institutions approved by the Ohio Real Estate Commission under Chapter 119 procedures. Approval is not limited to institutions providing two-year or four-year degrees. Each approved provider must be open to all licensees on an equal basis.

- ✓ CE must be completed at Commission-approved schools, seminars, and educational institutions
- ✓ Approval is not limited to degree-granting (2-year/4-year) institutions
- ✓ Approved providers must be open to all licensees on an equal basis

CHAPTER 77

ORC 4735.023(B)-(C) — Membership Changes and Penalties

77.1 Reporting Loss of Membership and Penalties

A registered oil and gas land professional who ceases to be a member in good standing of the qualifying organization must report that change to the superintendent within 30 days. Failure to report results in automatic suspension of registration status and subjects the registrant to penalties for unlicensed activity under ORC 4735.052. Likewise, any oil and gas land professional who fails to register at all is subject to those same unlicensed-activity penalties.

- ✓ A change in membership status must be reported to the superintendent within 30 days
- ✓ Failure to report causes automatic suspension of registration status
- ✓ Failure to report or to register subjects the person to unlicensed-activity penalties under ORC 4735.052

CHAPTER 78

ORC 4735.27(B) Consent to Service of Process

78.1 Nonresident Applicant Service of Process Consent

Every nonresident applicant must designate a person within Ohio upon whom process may be served and file an irrevocable written consent allowing fraud-related actions to be commenced by serving the secretary of state when the designated agent cannot be found. This ensures Ohio courts have jurisdiction over foreign dealers who commit fraud in connection with the sale of foreign real estate in Ohio.

- ✓ A nonresident applicant must name a person within Ohio upon whom process may be served, giving that person's complete residence and business address
- ✓ Every applicant must file an irrevocable written consent that fraud actions may be commenced against them in Ohio courts
- ✓ Service on the secretary of state is permitted when the resident applicant or the nonresident's designated person cannot be found at the given address
- ✓ Service on the secretary of state is deemed as valid and binding in all courts as if made upon the foreign real estate dealer
- ✓ A corporate or unincorporated association applicant must accompany the consent with a certified copy of the resolution of its board authorizing the individual to execute the consent

CHAPTER 79

§ 4735.20(C)-(F) Payment to Unlicensed Business Entities

79.1 Paying an Affiliated Licensee's Unlicensed Entity

A broker may pay all or part of a fee/commission earned by an affiliated licensee to an unlicensed partnership, association, LLC, LLP, or corporation only if all conditions are met: at least one owner/member/officer holds a valid active license under the chapter; at least one owner is the affiliated licensee who earned the compensation; the entity does not engage in acts under § 4735.01(A); the broker verifies compliance and keeps records for three years; and the broker keeps transaction records (licensee name, amount earned, entity name) for three years.

- ✓ At least one partner/member/officer/shareholder of the unlicensed entity must hold a valid active license
- ✓ At least one owner must be the affiliated licensee who earned the compensation
- ✓ The entity must not engage in acts specified in § 4735.01(A)
- ✓ Broker must verify compliance and keep the verification record for three years
- ✓ Broker must keep transaction records (licensee name, amount, entity name) for three years

79.2 Continuing Broker Obligations Despite Compliance

Compliance with division (C) does not relieve the broker of the duty to supervise an affiliated licensee or of other chapter requirements. It also does not make the broker or licensee exempt from § § 4735.051, 4735.18, and 4735.32, nor immune from personal liability in civil actions for chapter violations.

- ✓ Paying an unlicensed entity does not eliminate the broker's supervision duties
- ✓ Compliance does not exempt broker/licensee from § § 4735.051, 4735.18, and 4735.32
- ✓ Compliance does not grant immunity from personal civil liability

79.3 No Payment to Third-Party Creditors

Under division (F), no broker shall pay a fee, commission, or other compensation that is due to an affiliated licensee to a third-party creditor of that licensee.

- ✓ Compensation owed to an affiliated licensee cannot be paid to the licensee's third-party creditor

CHAPTER 80

§ 4735.051(D) Investigation, Report, and Reasonable-Evidence Determination

80.1 Investigation Report and Evidence Determination

The investigator files a written report with the superintendent, who reviews it and determines whether reasonable and substantial evidence exists of a violation of ORC 4735.18. If evidence exists, a Chapter 119 hearing is scheduled; if not, the parties are notified and the complainant may request commission review.

- ✓ The investigator must file a written report within 60 business days after receipt of the complaint (or within 60 days of an informal meeting)
- ✓ Within 14 business days after the report, the superintendent determines whether reasonable and substantial evidence of a 4735.18 violation exists
- ✓ If evidence exists, the superintendent must within 7 business days notify parties of a Chapter 119 hearing to be held within 15 days but not prior to 7 days thereafter
- ✓ If no evidence exists, the complainant may within 15 business days request that the commissioners review the determination
- ✓ The superintendent may withdraw a notice of hearing upon receipt of additional evidence before the hearing examiner's report is issued; withdrawal is not evidence the notice was unjustified

CHAPTER 81

ORC 4735.14(C) Automatic Suspension and Revocation

81.1 Automatic Suspension for Failure to Renew

If a broker, brokerage, or salesperson fails to file a notice of renewal by the filing deadline, the license is automatically suspended without any action by the superintendent. A suspended license may be reactivated within twelve months of the suspension date by paying the renewal fee plus a penalty fee equal to 50 percent of the renewal fee. Failure to reactivate within that period results in automatic revocation. No person or entity may engage in any act requiring a real estate license while its license is inactive, resigned, suspended, or revoked.

- ✓ Failure to file renewal by the deadline results in automatic suspension without superintendent action
- ✓ A suspended license may be reactivated within twelve months by paying the renewal fee plus a 50% penalty fee
- ✓ Failure to reactivate within twelve months results in automatic revocation
- ✓ No person or entity may engage in acts requiring a real estate license while inactive, resigned, suspended, or revoked
- ✓ The commission must adopt Chapter 119 rules to provide notice of suspension or revocation

CHAPTER 82

ORC 4735.06(C) - Fees and Licensing Period

82.1 Broker License Application Fee and Licensing Period

A nonrefundable fee of $135 must accompany a real estate broker's license application. The initial licensing period begins when the license is issued and ends on the applicant's first birthday thereafter. However, if the applicant was an inactive or active salesperson immediately before applying, the initial period begins when the broker's license is issued and ends on the date continuing education was due as set when the applicant was a salesperson. A $135 fee is charged for each successive application. For a three-year license, upon passing (or waiver of) the exam, the applicant submits an additional fee based on the number of years remaining in the salesperson's licensing period.

- ✓ A nonrefundable $135 fee must accompany the broker's license application
- ✓ The initial licensing period ends on the applicant's first birthday after issuance
- ✓ If the applicant was previously a salesperson, the period ends on the salesperson CE due date
- ✓ A $135 fee is charged for each successive application
- ✓ The application fee is nonrefundable

CHAPTER 83

ORC 4735.141(C) Automatic Suspension and Revocation

83.1 Automatic Suspension for Failure to Complete CE

If a licensee fails to meet the CE requirements within the specified period, the license is automatically suspended without any action by the superintendent. The superintendent notifies the licensee by regular mail to the personal residence address on file. The license remains suspended until reactivated, which occurs only after the licensee establishes that CE requirements have been met. If requirements are not met within 12 months from the date of suspension, the license is automatically revoked.

- ✓ Failure to complete CE results in automatic suspension without superintendent action
- ✓ Notice of suspension is sent by regular mail to the personal residence address on file
- ✓ License stays suspended until CE requirements are met and it is reactivated
- ✓ License is automatically revoked if requirements are not met within 12 months of suspension

CHAPTER 84

ORC 4735.13(C) Licensee Notification of Certain Occurrences

84.1 Fifteen-Day Notice of Convictions and Orders

A licensee must notify the superintendent in writing within fifteen days of: conviction of a felony; conviction of a crime involving moral turpitude; being found to have violated any federal, state, or municipal civil rights law regarding housing discrimination; engaging in a discriminatory housing practice under ORC 4112.02(H); being subject to an order by the departments of commerce, insurance, or agriculture revoking/surrendering a professional license; or being subject to an order by any government agency concerning real estate, financial matters, or fiduciary duties. Failure to notify within the required time allows the superintendent to immediately suspend the license.

- ✓ A licensee must notify the superintendent in writing within fifteen days of a felony or moral-turpitude conviction
- ✓ Notice is also required for civil rights/housing discrimination findings and specified regulatory orders
- ✓ Failure to timely notify permits the superintendent to immediately suspend the license

CHAPTER 85

§ 4735.01(H) Single Act Constitutes Broker Activity

85.1 Single Act Doctrine

Any person or entity who, for another and for compensation (fee, commission, salary, or otherwise, or the intention/expectation/promise thereof), does or offers/attempts/agrees to engage in ANY SINGLE act or transaction within the broker definition — whether the act is incidental to a transaction or the entire transaction — is constituted a real estate broker or salesperson under this chapter.

- ✓ Even a SINGLE act or transaction triggers broker/salesperson status and licensing requirements
- ✓ It does not matter whether the act is incidental to a transaction or is the entire transaction
- ✓ Compensation by salary also counts, not just fees or commissions

CHAPTER 86

§ 4735.07(C)-(D) Examination Content and Administration

86.1 Broker Examination Subject Matter

Each broker applicant is examined on principles of real estate practice, Ohio real estate law, financing and appraisal, the duties of brokers and salespersons, knowledge of real estate transactions and related instruments, and the canons of business ethics. The commission promulgates and publishes these canons.

- ✓ Exam covers real estate practice principles, Ohio real estate law, financing, and appraisal
- ✓ Exam covers duties of brokers/salespersons, transactions, instruments, and business ethics canons
- ✓ The commission promulgates and publishes the canons of business ethics

86.2 ADA Accommodations and Exam Timing

Examinations must be administered with reasonable accommodations under the Americans with Disabilities Act of 1990. Exam content must be consistent with the education and statutory requirements. An applicant who has completed the education requirements at the time of application must be examined no later than twelve months after being notified of admission to the examination.

- ✓ Exams must provide reasonable accommodations per the ADA of 1990
- ✓ Applicant who completed education requirements must be examined within 12 months of notice of admission to the exam

CHAPTER 87

§ 4735.10(B) Standards Governing the Superintendent

87.1 Rules Guiding Superintendent's Powers

The Commission may adopt rules establishing standards and guidelines the Superintendent of Real Estate must follow when exercising specified powers, including appointing ancillary trustees, rejecting proposed business names, accepting/rejecting exam and license applications, approving broker downgrades to salesperson, appointing hearing examiners, and qualifying foreign real estate. If no rule exists establishing a required standard, the Superintendent may adopt one under Chapter 119.

- ✓ Rules may govern the Superintendent's appointment of ancillary trustees (R.C. 4735.05) and rejection of business/trade names (R.C. 4735.06(B))
- ✓ Rules may govern acceptance/rejection of exam and license applications, including foreign real estate dealers/salespersons (R.C. 4735.27, 4735.28)
- ✓ Rules may govern approval of a broker's application to become a salesperson under R.C. 4735.13 and appointment of hearing examiners under R.C. 119.09
- ✓ If no rule establishes a required guideline/standard, the Superintendent may adopt one under R.C. Chapter 119

CHAPTER 88

ORC 4735.65(C)-(D) Multiple Representation and Practice of Law Limits

88.1 Acting for Multiple Parties and Dual Agency Disclosure

A licensee does not breach any duty to the purchaser by acting as an agent or subagent for other purchasers, or as an agent or subagent for sellers. However, any dual agency relationship must be disclosed to the client pursuant to ORC 4735.71. Additionally, nothing in this section permits a licensee to perform any act or service that constitutes the practice of law.

- ✓ Acting as agent/subagent for other purchasers or for sellers is not a breach of duty
- ✓ Any dual agency relationship must be disclosed to the client under ORC 4735.71
- ✓ Nothing in this section permits a licensee to engage in the unauthorized practice of law

CHAPTER 89

ORC 4735.25(C)-(G) Verification, Fees, and Superintendent Review

89.1 Filing Fee for Foreign Real Estate Qualification

Upon filing the application, the applicant must pay a filing fee plus a per-unit charge, subject to a maximum aggregate cap. The applicant must also deposit a sum to cover the cost of verifying statements and ensuring compliance.

- ✓ The filing fee is $500 plus an additional $1 for each lot, unit, parcel, or interest included in the offering
- ✓ The aggregate fee may not exceed $2,500
- ✓ The applicant must deposit funds to defray the cost of verifying statements and determining compliance

89.2 Verification and Superintendent Powers

All statements, exhibits, and documents (except certified public documents) must be verified by oath. The superintendent may inspect the property or investigate applicants, and may require payments to be impounded in escrow at an Ohio bank to prevent fraud or secure improvement agreements. The superintendent approves qualification only if the terms are not grossly unfair and comply with the chapter.

- ✓ Statements and documents must be verified by the oath of the applicant or a person with knowledge; failure to comply justifies refusal to qualify
- ✓ The superintendent may inspect the property or investigate the applicant, with actual costs paid by the applicant
- ✓ The superintendent may require all payments to be impounded in escrow at an Ohio bank to prevent fraud or secure improvement agreements
- ✓ Qualification is allowed only if the terms are not grossly unfair, comply with the chapter, and will not defraud or deceive Ohio persons

CHAPTER 90

ORC 4735.09(D)-(E) Examination Administration and License Issuance

90.1 National Testing Service and Passing Score

The superintendent, with the commission's consent, may contract with a recognized national testing service to administer the salesperson exam under the superintendent's supervision and control. The superintendent may require applicants to pay the testing service's exam fee directly and submit a separate processing fee set by the commission under ORC 4735.10(A)(1). The superintendent issues the salesperson license once satisfied the applicant achieved a passing score on each portion of the exam as determined by commission rule.

- ✓ A national testing service may administer the exam under the superintendent's supervision and control
- ✓ Applicants may be required to pay the testing service fee directly plus a separate processing fee
- ✓ A license is issued only when the applicant passes each portion of the examination

CHAPTER 91

ORC 4735.28(C) Eligibility to Take the Examination

91.1 Character and Conduct Requirements to Sit for Exam

No person may take the foreign real estate salesperson's examination unless they establish to the superintendent's satisfaction that they meet certain character, civil rights, and prior-compliance standards. This ensures applicants are honest, truthful, and have not engaged in disqualifying conduct.

- ✓ Applicant must not have been convicted of a disqualifying offense as determined under ORC section 9.79
- ✓ Applicant must not have been finally adjudged to have violated civil rights laws protecting purchasers/sellers of real estate; if so, at least two years must have passed and the superintendent may disregard it upon proof of rehabilitation by a preponderance of the evidence
- ✓ Applicant must not have violated any provision or rule of this chapter during prior licensure, or must show they will not do so again
- ✓ The applicant bears the burden of establishing eligibility to the superintendent's satisfaction

CHAPTER 92

ORC 4735.05(C) Discretionary Powers of the Superintendent

92.1 Superintendent Enforcement Powers

The superintendent may subpoena witnesses in connection with investigations and audits, and may apply to court to enjoin violations of the chapter. Upon a showing that a person has violated or is about to violate the chapter, the court shall grant an injunction, restraining order, or other appropriate order.

- ✓ The superintendent may subpoena witnesses in connection with investigations and audits
- ✓ The superintendent may apply to court to enjoin any violation of the chapter
- ✓ The court shall grant an injunction upon a showing of violation or imminent violation

92.2 Appointment of Ancillary Trustee

The superintendent may recommend appointment of a qualified ancillary trustee when there is no other licensed broker in the brokerage: upon the death of a licensed broker (subject to probate court approval) to conclude business, upon revocation of a broker to conclude business, or upon incapacitation, suspension, or incarceration of a broker to continue business for a limited period.

- ✓ An ancillary trustee may be recommended only when no other licensed broker is in the brokerage
- ✓ Upon a broker's death, appointment is subject to probate court approval to conclude business
- ✓ Upon revocation, the trustee concludes the revoked broker's business
- ✓ Upon incapacitation, suspension, or incarceration, the trustee may continue business only for the period of that condition

92.3 Criminal Records Check Authority

When the superintendent has reasonable cause to believe an applicant or licensee committed a criminal offense, the superintendent may request a criminal records check from the Bureau of Criminal Identification and Investigation, which must obtain FBI information. The superintendent may charge the applicant or licensee a fee equal to the cost of the check.

- ✓ A criminal records check requires reasonable cause to believe a criminal offense was committed
- ✓ BCI&I must obtain FBI information as part of the check
- ✓ The applicant or licensee may be assessed a fee equal to the criminal records check fee

92.4 Advisory Letters in Lieu of Discipline

In enforcing the chapter, the superintendent may issue advisory letters in lieu of initiating disciplinary action under sections 4735.051 or 4735.052, or issuing a citation under sections 4735.16 or 4735.181.

- ✓ The superintendent may issue advisory letters in lieu of formal disciplinary action
- ✓ Advisory letters may substitute for citations under sections 4735.16 or 4735.181

CHAPTER 93

§ 4735.16(C) Citations and Fines

93.1 Advertising citation fines and disciplinary triggers

A citation served under this section must give notice of the alleged violations, inform the licensee of the right to a hearing under Chapter 119, and state a fine of $200 per violation, not to exceed $2,500 per citation. Fines are credited to the real estate recovery fund. If a licensee is cited three times within twelve consecutive months, the superintendent must initiate disciplinary action for any subsequent violation in that same period. Failure to request a hearing within 30 days makes the citation final; the licensee then has 30 days to meet its requirements, and noncompliance results in automatic license suspension.

- ✓ Advertising violation fines are $200 per violation, not to exceed $2,500 per citation
- ✓ Fines are credited to the real estate recovery fund
- ✓ Three citations within twelve consecutive months triggers mandatory disciplinary action for the next violation
- ✓ A licensee has 30 days to request a hearing before a citation becomes final; failure to comply within 30 days of a final citation results in automatic license suspension

CHAPTER 94

ORC 4735.55(D)-(E) Signing and Furnishing Requirements

94.1 Signing, Dating, and Furnishing the Agreement

ORC 4735.55(D) and (E) address execution and delivery. Each written agency agreement must include a place for both the licensee and the client to sign and date it, and the licensee must provide a copy to the client in a timely manner after signing.

- ✓ Each written agency agreement must contain a place for both the licensee and the client to sign and date it
- ✓ A licensee must furnish a copy of the signed and dated written agency agreement to the client in a timely manner

CHAPTER 95

ORC 4735.081(D)-(F) Delegation and Multiple Brokerages

95.1 Delegation of Duties and Multiple-Brokerage Service

A principal broker may assign any of the statutory duties to a management level licensee. The superintendent may also permit a broker to be licensed with and act as principal broker for more than one brokerage. Nothing in the section is prima facie evidence of whether an affiliated licensee is an independent contractor or an employee.

- ✓ A principal broker may assign duties under division (C) to a management level licensee
- ✓ The superintendent may permit a broker to act as principal broker for more than one brokerage
- ✓ The section is not prima facie evidence of independent contractor vs. employee status

CHAPTER 96

ORC 4735.12(C) — Superintendent's Defense of the Fund

96.1 Notice and Superintendent's Right to Defend

An applicant must file notice of the recovery application with the superintendent. The superintendent may defend the action on behalf of the fund, examine witnesses, verify actual and direct losses, and challenge the underlying judgment to confirm it stems from licensed activity. The superintendent may move to dismiss when there are no triable issues, giving the applicant at least 10 days' written notice, and may compromise a claim subject to court approval. The superintendent is not bound by any prior compromise or stipulation of the judgment debtor.

- ✓ The applicant must file notice of the application with the superintendent
- ✓ The superintendent may defend the fund and challenge the underlying judgment
- ✓ At least 10 days' written notice is required before a motion to dismiss
- ✓ The superintendent is not bound by any prior compromise or stipulation of the judgment debtor

CHAPTER 97

ORC 4735.27(C) Superintendent Investigation

97.1 Investigation and Out-of-State Expense Advances

The superintendent may investigate any applicant for a dealer's license and require additional information to determine qualifications. If investigation must occur outside Ohio, the superintendent may require the applicant to advance funds for actual expenses, and must furnish an itemized statement of those expenses.

- ✓ The superintendent may investigate any applicant and require any additional information deemed necessary
- ✓ For out-of-state investigations, the superintendent may require the applicant to advance sufficient funds to cover actual investigation expenses
- ✓ An itemized statement of investigation expenses must be furnished to the applicant

CHAPTER 98

ORC 4735.15(C)-(F) Payment, Timing, and Rulemaking

98.1 Payment and Timing of Fees

All fees collected under this section must be paid to the treasurer of state. In all cases, the fee and any penalty must accompany the application for the license, license transfer, or license reactivation, or accompany the filing of the renewal. The commission may establish reasonable rule-based fees for services not otherwise set by the chapter, and may adopt rules providing for reductions in the broker and salesperson renewal fees.

- ✓ All fees are paid to the treasurer of state
- ✓ The fee and any penalty must accompany the application or renewal filing
- ✓ The commission may set additional reasonable fees by rule and may reduce the broker and salesperson renewal fees by rule

CHAPTER 99

ORC 4735.022(C) Secretary of State as Agent for Service of Process

99.1 Secretary of State as Service-of-Process Agent

By filing the consent-to-jurisdiction document under division (A)(4), the person making the consent appoints the Ohio Secretary of State as its agent for service of process, including summonses and subpoenas. Service is initiated by leaving four copies of the process, an affidavit stating the person's address, and a $5 fee with the Secretary of State, who then forwards the process by certified mail, return receipt requested. Service is complete upon mailing.

- ✓ Filing the consent-to-jurisdiction document constitutes the Secretary of State as agent for service of process in Ohio
- ✓ Service requires four copies of the process, an affidavit stating the address, and a $5 fee left with the Secretary of State
- ✓ The Secretary of State forwards a copy by certified mail, return receipt requested, and service is complete upon mailing

CHAPTER 100

ORC 4735.023(D) — Interstate and Reciprocity Registration

100.1 Registration Under Chapter 4796 for Out-of-State Professionals

Notwithstanding other provisions, the superintendent must register a person as an oil and gas land professional in accordance with Chapter 4796 (universal licensing/reciprocity) if the person is licensed or registered as an oil and gas land professional in another state, OR has satisfactory work experience, a government certification, or a private certification as described in Chapter 4796 as an oil and gas land professional in a state that does not issue such a license or registration.

- ✓ The superintendent must register qualifying out-of-state professionals under Chapter 4796 of the Revised Code
- ✓ Eligibility applies to those licensed/registered in another state or with qualifying work experience or certification from a non-licensing state

CHAPTER 101

§ 4735.051(E)-(G) Hearing Examiner Report and Commission Decision

101.1 Hearing Examiner Report and Commission Discipline Decision

After formal hearings, the hearing examiner files findings of fact and conclusions of law. The Ohio Real Estate Commission reviews the report and decides whether to impose disciplinary sanctions for a 4735.18 violation, issuing a written opinion.

- ✓ The hearing examiner must file findings of fact and conclusions of law within 25 business days after the conclusion of formal hearings
- ✓ The commission reviews the report at its next regular meeting held at least 15 business days after receipt
- ✓ The commission must decide on discipline within 60 days of the filing of the hearing examiner's report (or an Ohio Civil Rights Commission complaint)
- ✓ The commission must issue a written opinion citing its findings and grounds, and notify complainant and others of the right to sue for recovery under 4735.12

CHAPTER 102

ORC 4735.09(F) Qualifications to Take the Salesperson Examination

102.1 Character and Age Qualifications for Applicants

No applicant may take the salesperson examination unless they establish to the superintendent's satisfaction that they are honest and truthful, have not been convicted of a disqualifying offense (determined under ORC 9.79), and are at least eighteen years of age. An applicant with a prior civil-rights-law adjudication may still qualify if at least two years have passed and the superintendent disregards it after the applicant proves by a preponderance of the evidence that they are honest and truthful and unlikely to violate the laws again.

- ✓ Applicant must be honest and truthful and at least 18 years of age
- ✓ Applicant must not have been convicted of a disqualifying offense as determined under ORC 9.79
- ✓ A civil rights law adjudication may be disregarded after 2 years if the applicant proves honesty by a preponderance of the evidence
- ✓ Applicant must not have violated Chapter 4735 provisions/rules while previously licensed, unless able to satisfy the superintendent it won't recur

102.2 Prelicensure Education Requirements (100 Hours)

An applicant must successfully complete required prelicensure courses at an institution of higher education by classroom or distance education: 40 hours of real estate practice; 40 hours covering Ohio real estate law and municipal, state, and federal civil rights law, housing discrimination case law, desegregation, and eliminating effects of prior discrimination; 10 hours of real estate appraisal; and 10 hours of real estate finance — totaling 100 hours. The 40-hour law/civil rights course does not apply to applicants admitted to practice before the supreme court.

- ✓ 40 hours of real estate practice instruction required
- ✓ 40 hours of Ohio real estate law and civil rights/fair housing instruction required
- ✓ 10 hours of real estate appraisal and 10 hours of real estate finance required
- ✓ Courses may be taken by classroom instruction or distance education at an institution of higher education
- ✓ The 40-hour law course is waived for applicants admitted to practice before the supreme court

102.3 High School Education Requirement

An applicant born after the year 1950 must have a high school diploma or a certificate of high school equivalence issued under ORC 3301.80.

- ✓ Applicants born after 1950 must have a high school diploma or equivalency certificate
- ✓ The equivalency certificate must be issued under ORC 3301.80

CHAPTER 103

ORC 4735.28(D)-(E) Licensure and Employment Restrictions

103.1 Licensing and Single-Dealer Employment Rule

Every foreign real estate salesperson must be licensed by the superintendent and may work only for the specific licensed foreign real estate dealer named on their license. The superintendent issues the license once the applicant is found qualified, has complied with the chapter, and the named dealer is a licensed foreign real estate dealer, upon payment of the required fees.

- ✓ Every foreign real estate salesperson must be licensed by the superintendent of real estate
- ✓ A salesperson may be employed only by the licensed foreign real estate dealer specified on the salesperson's license
- ✓ The superintendent issues the license only if the applicant is qualified, has complied with the chapter, and the named dealer is a licensed foreign real estate dealer
- ✓ Issuance requires payment of the fees prescribed by ORC section 4735.15

CHAPTER 104

§ 4735.16(D) Copy of Agreement and Fair Housing Display

104.1 Furnishing copy of signed listing/agreement

A broker or salesperson obtaining the signature of a party to a listing or other agreement in a real estate transaction must furnish that party a copy of the listing or other agreement immediately after obtaining the signature.

- ✓ A copy of a signed listing or other agreement must be given to the signing party immediately after signing

104.2 Required fair housing statement in broker's office

Every broker's office must prominently display, in the same immediate area as licenses are displayed, a statement that it is illegal to discriminate in housing because of race, color, religion, sex, familial status, national origin, military status, disability, or ancestry, and that blockbusting is also illegal. The statement must bear the HUD equal housing logo, state that the broker and salespersons are licensed by the Division of Real Estate and Professional Licensing, note that the division can assist with consumer complaints, explain R.C. 4735.12, and provide the division's address and phone number. The Ohio Real Estate Commission sets the wording and size by rule. The pamphlet required under 4735.03 must contain the same statement and be made available to clients.

- ✓ The fair housing statement must be displayed in the same immediate area as the office's licenses
- ✓ Protected classes include race, color, religion, sex, familial status, national origin, military status, disability, and ancestry; blockbusting is illegal
- ✓ The statement must bear the HUD equal housing logo and include the division's address and phone number
- ✓ The Ohio Real Estate Commission prescribes the wording and size of both the statement and the required pamphlet

CHAPTER 105

ORC 4735.13(D) Change of Business Location

105.1 Thirty-Day Notice of Change of Location

When a broker changes business location, the broker must notify the superintendent on the prescribed form within thirty days after the change. The superintendent then issues new licenses for the unexpired period at no charge. Changing location without giving required notice and without receiving new licenses is prima-facie evidence of misconduct under ORC 4735.18(A)(6).

- ✓ A broker must notify the superintendent within thirty days after a change of business location
- ✓ New licenses are issued for the unexpired period without charge
- ✓ Changing location without required notice and new licenses is prima-facie evidence of misconduct under ORC 4735.18(A)(6)

CHAPTER 106

§ 4735.01(I) Exemptions From Licensing

106.1 Persons Exempt From Broker/Salesperson Definitions

The terms broker, salesperson, foreign dealer, and foreign salesperson do NOT include specified persons/entities (or their regular employees) performing the enumerated acts, whether or not for compensation: (a) owners dealing with their own real estate or property acquired for their own account as incident to management/investment; (b) receivers, trustees in bankruptcy, guardians, executors, administrators, trustees, and bona fide fiduciaries acting under court authority or a bona fide fiduciary instrument; (c) public officers performing official duties; (d) attorneys at law performing their duties; (e) persons brokering the sale of business assets (not including any interest in real estate); (f) sellers of manufactured or mobile homes not involving an interest in real estate; (g) commercial real estate sales under § 4735.022; and (h)-(i) oil and gas land professionals under § 4735.023.

- ✓ Property owners selling/managing their OWN real estate are exempt from licensing
- ✓ Attorneys performing their legal duties and public officers performing official duties are exempt
- ✓ Court-appointed fiduciaries (receivers, executors, trustees, guardians, administrators) are exempt
- ✓ Sellers of business assets or manufactured/mobile homes are exempt only if NO interest in real estate is involved

106.2 Owner Exemption Limited by Legal Interest

A person or entity claiming the owner exemption under division (I)(1)(a) is limited by the legal interest in the real estate held by that person or entity in performing the enumerated acts. The exemption only extends to property in which they hold a legal interest.

- ✓ The owner exemption is limited to the extent of the legal interest actually held in the property
- ✓ An owner cannot use the exemption to act as a broker for property they do not own

CHAPTER 107

ORC 4735.12(D) — Limits on Fund Liability

107.1 Maximum Fund Liability Per Licensee

The fund's liability cannot exceed $40,000 for any one licensee, regardless of the number of claims or transactions. If a suspended license is reactivated, the fund's liability again becomes $40,000, but only for transactions occurring after reactivation. When claims exceed the $40,000 cap, the amount is distributed pro rata among aggrieved persons in the ratio their claims bear to total valid claims, without regard to the order judgments were obtained or claims filed. The court may require all claimants against one licensee to join in one action.

- ✓ Fund liability cannot exceed $40,000 for any one licensee
- ✓ Reactivation restores the $40,000 limit but only for post-reactivation transactions
- ✓ Insufficient funds are distributed pro rata among claimants without priority by filing order
- ✓ The court may require all claimants against one licensee to be joined in one action

CHAPTER 108

ORC 4735.27(D) Written Examination

108.1 Foreign Real Estate Dealer Examination

Every applicant must take a written examination prescribed and conducted by the superintendent, covering real estate principles, law, financing, appraisal, transactions, business ethics, and dealer/salesperson duties. The examination fee is $101 when administered by the superintendent. Failure to appear forfeits the fee absent good cause, and failing twice triggers a waiting period.

- ✓ Every applicant must pass a written examination prescribed and conducted by the superintendent
- ✓ The exam covers principles of real estate practice, real estate law, financing and appraisal, transactions and related instruments, canons of business ethics, and duties of foreign dealers/salespersons
- ✓ The examination fee, when administered by the superintendent, is one hundred one dollars ($101)
- ✓ If the applicant fails to appear without good cause, the fee is forfeited and a new application and fee must be filed
- ✓ Any applicant who fails the examination twice must wait six months before applying to retake it

CHAPTER 109

§ 4735.07(E)-(F) Reciprocity, Universal Licensing, and Retakes

109.1 Broker Licensure via Chapter 4796

Notwithstanding contrary provisions, the superintendent shall issue a broker's license under Chapter 4796 if the applicant satisfies ORC 4796.03/4796.04 and: worked as a broker at least two of the five years immediately preceding application, completed at least 20 transactions acting as a broker, and passes an examination on Ohio real estate law. Alternatively, an applicant satisfying ORC 4796.05 plus the 20-transaction and Ohio-law-exam requirements qualifies.

- ✓ Chapter 4796 universal/reciprocal licensing applies to qualifying out-of-state broker applicants
- ✓ Applicant must have worked as a broker at least 2 of the 5 years immediately preceding application
- ✓ Applicant must have completed at least 20 transactions as a broker and pass an Ohio real estate law examination

109.2 Unlimited Examination Retakes

There is no limit on the number of times an applicant may retake the broker's examination.

- ✓ No limit on the number of times an applicant may retake the exam

CHAPTER 110

§ 4735.10(C) Testimony, Oaths, and Proof of Honesty

110.1 Authority to Hear Testimony and Require Proof

The Commission or Superintendent may hear testimony on matters within their duties, and the president of the Commission and the Superintendent may administer oaths. They may require additional proof of an applicant's honesty and truthfulness before admitting the applicant to the exam or issuing a license.

- ✓ The president of the Commission and the Superintendent may administer oaths
- ✓ The Commission or Superintendent may require proof of an applicant's honesty and truthfulness before allowing examination or issuing a license

CHAPTER 111

ORC 4735.022(D) Jurisdictions Without Broker/ Salesperson Distinction

111.1 No-Distinction Jurisdictions Must Meet Broker Requirements

If a person or entity is licensed in a jurisdiction that makes no legal distinction between a broker license and a salesperson license, that person or entity must meet the division (A) broker requirements before engaging in any Ohio activity that requires a broker license. This prevents nonresidents from claiming lesser salesperson status when their home state does not separate the two license types.

- ✓ Licensees from jurisdictions with no legal distinction between broker and salesperson licenses must meet division (A) requirements
- ✓ This applies before engaging in any Ohio activity that requires a real estate broker license
- ✓ The rule covers a person, partnership, association, LLC, LLP, or corporation

CHAPTER 112

ORC 4735.14(D) Change of Address Notice

112.1 Notice of Address and Email Changes

A licensee must notify the superintendent of a change in personal residence address within thirty days after the change. Failing to notify does not excuse the licensee from filing the renewal by the required deadline. Each licensee must also maintain a valid email address on file with the division and notify the superintendent of any email change within thirty days.

- ✓ A licensee must notify the superintendent of a change in personal residence address within thirty days
- ✓ Failure to report an address change does not negate the duty to timely file renewal
- ✓ A licensee must maintain a valid email on file and report any email change within thirty days

CHAPTER 113

ORC 4735.05(D)-(E) Confidentiality of Information

113.1 Confidentiality of Investigation Information

All information obtained by investigators and auditors during investigations, inspections, audits, and inquiries under division (B)(4), and all resulting reports, documents, and work products, must be held in confidence. Information obtained from informal mediation meetings under section 4735.051, including the agreement to mediate and accommodation agreement, must also be held in confidence.

- ✓ Information and work products from investigations and audits must be held in confidence
- ✓ Information from informal mediation meetings, including mediation and accommodation agreements, is confidential
- ✓ Confidentiality is maintained by the superintendent, investigators, auditors, and department personnel

113.2 Permitted Release of Confidential Information

The division of real estate and professional licensing may release licensee information to the divisions of financial institutions, securities, and industrial compliance, to the superintendent of insurance, to the attorney general, and to law enforcement agencies and prosecutors for administration and enforcement purposes. Information released remains confidential.

- ✓ Licensee information may be shared with other regulatory divisions, the attorney general, and law enforcement
- ✓ Information may be released to the superintendent of insurance for Chapter 3953 administration
- ✓ Information released by the division remains confidential

CHAPTER 114

§ 4735.20(G) Foreign Real Estate Referral Exception

114.1 Owner Referral of Foreign Real Estate

An owner of an interest in foreign real estate may refer a prospective buyer to the person who sold the owner that foreign real estate and expect valuable consideration, if: the seller is selling qualified foreign real estate under § 4735.25; total consideration promised or collected in any 12 consecutive months does not exceed $1,000; the owner does not do this in the ordinary course of business or as a regular practice; the owner does not show the property, discuss terms, or participate in negotiations; and if a transaction closes, the referral must be disclosed by the seller.

- ✓ Referral consideration cannot exceed $1,000 in any 12 consecutive months
- ✓ The owner must not make such referrals in the ordinary course of business or as a regular practice
- ✓ The owner must not show, discuss terms, or negotiate the foreign real estate
- ✓ The seller must disclose the referral if the transaction is consummated

CHAPTER 115

ORC 4735.06(E) - Examination and Processing Fees

115.1 Testing Service and Processing Fee

If the superintendent, with the commission's consent, contracts with a national testing service to administer the broker's exam under ORC 4735.07(A), the superintendent may require the applicant to pay the testing service's examination fee directly to that service. In that case, each applicant must submit a processing fee to the superintendent in an amount determined by the Ohio Real Estate Commission under ORC 4735.10(A)(2).

- ✓ The superintendent may require applicants to pay the exam fee directly to a national testing service
- ✓ When the exam fee is paid directly, applicants must submit a processing fee to the superintendent
- ✓ The processing fee amount is determined by the Ohio Real Estate Commission under ORC 4735.10(A)(2)

CHAPTER 116

§ 4735.20(H)-(J) Suspension Effects, Sanctions, and Definitions

116.1 Automatic Suspension of Salesperson Licenses

Suspension or revocation of a broker's or foreign dealer's license automatically suspends every salesperson's or foreign salesperson's license granted by virtue of association with that broker/dealer, pending a change of broker/dealer and issuance of a new license. The new license is issued without charge if granted during the same year the original was granted.

- ✓ Broker's suspension/revocation automatically suspends associated salespersons' licenses
- ✓ Salesperson's suspension lasts pending change of broker and issuance of a new license
- ✓ A new license is issued without charge if granted in the same year as the original

116.2 Violation Sanctions and 'Affiliated Licensee' Defined

A violation of § 4735.20 is cause for disciplinary sanctions under § § 4735.051, 4735.18, and 4735.32. For purposes of this section, an 'affiliated licensee' is a person holding a valid and active license under the chapter who is associated with the broker paying the compensation at the time it is earned.

- ✓ Violating § 4735.20 is grounds for discipline under § § 4735.051, 4735.18, and 4735.32
- ✓ 'Affiliated licensee' = a valid, active licensee associated with the paying broker when the compensation is earned

CHAPTER 117

§ 4735.07(G) Post-Licensure Education and Automatic Suspension

117.1 Ten-Hour Post-Licensing Education Requirement

A new broker must submit proof of completing 10 hours of instruction (approved schools, seminars, and educational institutions) no earlier than the license issue date but no later than 12 months after issuance. Curriculum and providers are approved per ORC 4735.10; instruction may be classroom or distance education. Failure to submit proof within 12 months causes automatic suspension of the broker's license without any action by the superintendent. The license cannot be reactivated until the requirement is met and the licensee is in compliance. Failure to submit proof within 12 months of the suspension results in automatic revocation.

- ✓ Broker must complete 10 hours of approved post-licensing instruction within 12 months of license issuance
- ✓ Failure to submit proof within 12 months triggers automatic suspension without superintendent action
- ✓ Continued failure to submit proof within 12 months after suspension results in automatic revocation
- ✓ Instruction may be classroom or distance education; curriculum/providers approved under ORC 4735.10

117.2 Effect of Broker Suspension on Associated Salespersons

If a broker's license is suspended under (G)(1), the licenses of associated salespersons are correspondingly suspended under ORC 4735.20(H). Those salesperson licenses are reactivated at no fee if: the broker submits proof of compliance and requests reactivation, the superintendent reactivates the broker's license, and the salesperson intends to remain with that broker and is otherwise in compliance.

- ✓ Broker suspension for missing post-licensing education correspondingly suspends associated salespersons' licenses
- ✓ Associated salesperson licenses are reactivated with no fee once the broker complies and reactivates
- ✓ Salesperson must intend to continue with that broker and be otherwise in compliance

CHAPTER 118

§ 4735.051(I) Disciplinary Sanctions

118.1 Sanctions for Violations of § 4735.18

The Ohio Real Estate Commission may impose a range of disciplinary sanctions on a licensee found to have violated ORC 4735.18, from license revocation to mandatory education.

- ✓ The commission may revoke a license, suspend a license for a set term, issue a public reprimand, or require additional continuing education
- ✓ A fine may not exceed $2,500 per violation
- ✓ Continuing education imposed as a sanction does not count toward the CE requirements in section 4735.14
- ✓ All fines imposed are credited to the real estate recovery fund created under section 4735.12

CHAPTER 119

ORC 4735.12(E)-(G) — License Suspension, Repayment, and Subrogation

119.1 Automatic Suspension and Repayment Requirement

When the superintendent pays from the fund to settle a claim or satisfy a judgment against a licensee, that licensee's license is automatically suspended on the date of payment. The license is not reactivated until the licensee repays the fund in full plus interest at the rate in § 1343.03(A). A bankruptcy discharge does not relieve the suspension or repayment obligation unless the underlying judgment was discharged and not reaffirmed by the debtor.

- ✓ The licensee's license is automatically suspended on the date of payment from the fund
- ✓ The license is not reactivated until the fund is repaid in full plus statutory interest
- ✓ A bankruptcy discharge does not relieve the suspension unless the underlying judgment was discharged and not reaffirmed

119.2 Insufficient Fund Balance and Subrogation

If the fund lacks money to satisfy an authorized claim, the superintendent pays unpaid claims in the order filed once sufficient money is deposited, plus accumulated interest at the § 1343.03(A) rate. When the superintendent pays a judgment creditor, the superintendent is subrogated to the creditor's rights to the extent paid, and the creditor must assign their interest in the judgment. Amounts recovered on the judgment are deposited back into the fund.

- ✓ Unpaid claims are satisfied in the order originally filed when funds become available
- ✓ The superintendent is subrogated to the judgment creditor's rights to the extent paid
- ✓ The judgment creditor must assign their interest in the judgment to the superintendent
- ✓ Recovered amounts are returned to the fund

CHAPTER 120

ORC 4735.14(E)-(F) Renewal Conditions and Confirmation

120.1 Renewal Compliance and Confirmation Notice

The superintendent will not renew a license if the licensee fails to comply with section 4735.141 (continuing education) or is otherwise out of compliance with Chapter 4735. After a complete application and fee are received, the superintendent must make notice of successful renewal available electronically as soon as practicable but no later than thirty days, which serves as the renewal notice under section 4745.02.

- ✓ The superintendent shall not renew if the licensee fails to comply with section 4735.141 or the chapter
- ✓ Notice of successful renewal must be made available electronically no later than thirty days after receipt of a complete application and fee

CHAPTER 121

ORC 4735.09(G)-(I) Education Timing and Exemptions

121.1 Education Completion Rules and Exemptions

Successful completion of prelicensure instruction is determined by the law in effect on the date the instruction was completed. The 10-hour appraisal requirement (F)(6)(c) does not apply to a new applicant who holds a valid Ohio real estate appraiser license or certificate issued before applying. Any person not licensed as a salesperson or broker within the four years immediately preceding the current exam application must have completed the prelicensure instruction within the ten-year period immediately preceding that application.

- ✓ Completion of required instruction is judged by the law in effect on the completion date
- ✓ The 10-hour appraisal course is waived for applicants holding a valid Ohio appraiser license/certificate
- ✓ If not licensed within the prior 4 years, prelicensure education must have been completed within the prior 10 years

CHAPTER 122

ORC 4735.28(F) Licensure by Reciprocity/Universal License Recognition

122.1 License Issuance Under Chapter 4796

The superintendent must issue a foreign real estate salesperson license in accordance with ORC Chapter 4796 (universal license recognition) to qualifying out-of-state applicants, either those already licensed in another state or those with satisfactory experience or certification in states that do not issue such a license.

- ✓ The superintendent shall issue a license under ORC Chapter 4796 if the applicant holds a license in another state
- ✓ The superintendent shall issue a license under Chapter 4796 if the applicant has satisfactory work experience, a government certification, or a private certification acting as a foreign real estate salesperson in a state that does not issue that license

CHAPTER 123

ORC 4735.13(E)-(F) Broker Association and Entity Membership

123.1 Broker Depositing License to Act as Salesperson

A broker who wishes to associate with another broker as a salesperson applies to deposit the broker's license with the superintendent and obtain a salesperson's license, using the prescribed form with a recommendation from the intended broker and a $34 fee. The broker must give written notice to all associated salespersons when applying to place the license on deposit.

- ✓ A broker associating as a salesperson deposits the broker license and applies for a salesperson license
- ✓ The application requires the intended broker's recommendation and a $34 fee
- ✓ The broker must give written notice to all associated salespersons when depositing the license

123.2 Broker Becoming Member/Officer of an Entity

A broker wishing to become a member or officer of a partnership, association, LLC, LLP, or corporation that is or intends to become a licensed real estate broker must notify the superintendent on the prescribed form with a $34 fee. Such a broker may only act as a real estate broker for that entity.

- ✓ A broker becoming a member/officer of a licensed brokerage entity must notify the superintendent with a $34 fee
- ✓ A broker who is a member/officer of such an entity may only act as broker for that entity

CHAPTER 124

§ 4735.01(J)-(Q) License Status Definitions

124.1 License Status Categories

The statute defines several license statuses: 'Inactive license' — a salesperson's license held by the division, renewed, but NOT associated with a broker. 'Broker's license on deposit' — a broker's license held by the division and renewed. 'Suspended license' — status prohibiting a licensee from providing licensed services for a specified time. 'Reactivate' — the process to remove a license from inactive, suspended, or on-deposit status. 'Revoked' — the license is void and NOT eligible for reactivation. 'Resigned' — voluntarily and permanently surrendered, may not be renewed or reactivated.

- ✓ An inactive salesperson's license is renewed and held by the division but not associated with any broker
- ✓ A REVOKED license is void and cannot be reactivated
- ✓ A RESIGNED license is permanently surrendered and cannot be renewed or reactivated
- ✓ Reactivation moves a license from inactive, suspended, or on-deposit status back to active

124.2 Disabled Licensee Definition

A 'disabled licensee' means a person licensed under this chapter who is under a severe disability of such a nature as to prevent the person from being able to attend any instruction lasting at least three hours in duration.

- ✓ Disabled licensee status requires a severe disability preventing attendance at instruction of at least three hours
- ✓ This status relates to continuing education/instruction accommodations

124.3 Division and Superintendent Definitions

'Division of real estate' is interchangeable with 'division of real estate and professional licensing.' 'Superintendent' or 'superintendent of real estate' means the superintendent of that division. Any statutory reference to the division or superintendent of real estate is deemed to refer to the division/superintendent of real estate and professional licensing.

- ✓ 'Division of real estate' and 'division of real estate and professional licensing' are the same thing
- ✓ The superintendent of real estate heads the division of real estate and professional licensing

CHAPTER 125

ORC 4735.27(E) Eligibility to Take the Examination

125.1 Qualifications Required to Sit for the Exam

No person may take the foreign real estate dealer's examination unless they establish to the superintendent's satisfaction that they meet character and compliance requirements, including no disqualifying criminal offense, no unresolved civil rights adjudications, and no unremedied prior licensing violations.

- ✓ The applicant must not have been convicted of a disqualifying offense as determined under R.C. 9.79
- ✓ The applicant must not have been finally adjudged to have violated civil rights laws protecting real estate purchasers/sellers; or if so adjudged, at least two years must have passed and the superintendent must disregard it based on proof of honesty and no likely repeat violation
- ✓ The applicant must not have violated any provision or rule under this chapter during any prior licensure period, or must establish they will not violate it again

CHAPTER 126

ORC 4735.141(E) Disabled Licensee Extension

126.1 CE Extension for Disabled Licensees

A licensee who is disabled at any time during the last three months of the third year of the CE reporting period may receive an extension of time to complete the required 30 hours. The licensee must submit a request and proof of disability, including a signed statement from the attending physician describing the disability, certifying it prevents attending instruction of at least three hours, and stating expected duration. The request and physician's statement must be submitted no later than one month before the end of the three-year reporting period, unless the disability arose in the last month, in which case it must be submitted as soon as practical.

- ✓ Disability during the last three months of year three of the reporting period may qualify for a CE extension
- ✓ A signed physician's statement describing the disability and its duration is required
- ✓ Request and physician's statement due at least one month before the reporting period ends (or as soon as practical if disability arose in the last month)

CHAPTER 127

ORC 4735.09(J) Post-Licensure Education Requirement

127.1 20-Hour Post-Licensure Education and Suspension

Within twelve months after the salesperson license is issued (but not before issuance), the licensee must submit satisfactory proof of completing 20 hours of instruction in commission-approved schools/seminars. Topics include commercial real estate, property management, short sales, land contracts, contract law, federal and state programs, economic conditions, and fiduciary responsibility. Failure to submit proof within 12 months automatically suspends the license without superintendent action; the broker is notified. The licensee then has 12 more months to submit proof, after which failure results in automatic revocation.

- ✓ 20 hours of post-licensure instruction must be completed and proof submitted within 12 months of license issuance
- ✓ Failure to submit proof causes automatic suspension without superintendent action, and the broker is notified
- ✓ A suspended salesperson has 12 additional months to submit proof before automatic license revocation
- ✓ Instruction may be taken by classroom or distance education from commission-approved providers

CHAPTER 128

ORC 4735.141(F)-(G) Renewal and Proof of Completion

128.1 CE Compliance Required for License Renewal

The superintendent will not renew a license if the licensee fails to comply with the CE requirements, and the licensee must pay the penalty fee provided in section 4735.14. A licensee must submit proof of completion of the required CE with the notice of renewal, in the manner provided by the superintendent.

- ✓ A license cannot be renewed if CE requirements are not met
- ✓ Failure to comply requires payment of the penalty fee under section 4735.14
- ✓ Proof of CE completion must be submitted with the notice of renewal

CHAPTER 129

ORC 4735.27(F) Issuance of License and Salesperson Employment

129.1 License Issuance and Salesperson Requirements

If the superintendent finds the applicant (or each named member, manager, or officer of an entity applicant) is at least 18 years old, has passed the exam, and appears otherwise qualified, the superintendent shall issue the foreign real estate dealer license. Licensed dealers may only employ salespersons licensed under section 4735.28, and must promptly notify the superintendent of salesperson changes.

- ✓ The applicant, or each named member/manager/officer of an entity applicant, must be at least eighteen years of age
- ✓ The applicant must have passed the required examination and appear otherwise qualified
- ✓ Foreign real estate dealers may employ only salespersons licensed under R.C. 4735.28
- ✓ When salespersons resign, are discharged, or are added, the dealer must forthwith notify the superintendent and file names/addresses of new salespersons with the division of real estate

CHAPTER 130

§ 4735.01(R)-(T) Commercial Real Estate Definitions

130.1 Commercial Real Estate Definition

'Commercial real estate' means any parcel of real estate in Ohio OTHER than real estate containing one to four residential units. It does NOT include single-family residential units such as condominiums, townhouses, manufactured homes, or subdivision homes when sold/leased/conveyed on a unit-by-unit basis, even when those units are part of a larger building or parcel containing more than four residential units.

- ✓ Commercial real estate is any parcel OTHER than real estate containing one to four residential units
- ✓ Single-family units sold on a unit-by-unit basis are NOT commercial, even within a larger building of 4+ units
- ✓ Condominiums, townhouses, and subdivision homes sold individually are excluded from commercial real estate

130.2 Out-of-State Commercial Broker and Salesperson

An 'out-of-state commercial broker' includes any person or entity licensed as a real estate broker in a jurisdiction OTHER than Ohio. An 'out-of-state commercial salesperson' includes any person affiliated with an out-of-state commercial broker who is NOT licensed as a real estate salesperson in Ohio.

- ✓ An out-of-state commercial broker is licensed as a broker in a jurisdiction other than Ohio
- ✓ An out-of-state commercial salesperson is affiliated with such a broker but is not Ohio-licensed

CHAPTER 131

§ 4735.051(J) Service of Notices

131.1 Certified Mail Service Requirement

All notices, written reports, and determinations issued under this section must be served by certified mail, with a fallback method if certified delivery fails.

- ✓ All notices, written reports, and determinations must be mailed via certified mail, return receipt requested
- ✓ If certified mail is returned undelivered, refused, or unclaimed, service is deemed complete when sent by regular mail with a certificate of mailing obtained

CHAPTER 132

ORC 4735.13(G) Armed Forces License Deposit

132.1 License Deposit for Military Service

A broker or salesperson entering the armed forces may deposit the license with the Ohio Real Estate Commission and is not required to renew until the renewal date following discharge. Continuing education under ORC 4735.141 must be met within twelve months of the first birthday after discharge or a time equal to total months on active duty, whichever is greater. A licensee who is a spouse of an armed forces member whose service caused absence from Ohio has parallel renewal and CE extension rights.

- ✓ A licensee entering the armed forces may deposit the license with the Ohio Real Estate Commission
- ✓ Renewal is not required until the renewal date following discharge
- ✓ CE must be completed within twelve months of the first birthday after discharge or a period equal to active-duty months, whichever is greater
- ✓ Spouses of armed forces members whose service caused absence from Ohio receive similar renewal and CE extensions

CHAPTER 133

ORC 4735.12(H)-(I) — Disciplinary Authority and Administrative Fees

133.1 Disciplinary Authority Preserved

Nothing in this section limits the superintendent's authority to take disciplinary action against a licensee under other provisions of Chapter 4735. Full repayment of obligations to the fund does not nullify or modify any separate disciplinary proceeding. The superintendent may also collect a service fee from the fund to defray administrative expenses.

- ✓ Repayment to the fund does not nullify separate disciplinary proceedings
- ✓ The superintendent retains full disciplinary authority under other provisions of the chapter
- ✓ The superintendent may collect a service fee from the fund for administrative expenses

CHAPTER 134

§ 4735.01(U)-(W), (JJ) Agency and Listing Agreement Definitions

134.1 Exclusive Right to Sell or Lease Listing Agreement

An 'exclusive right to sell or lease listing agreement' is an agency agreement between a seller and broker meeting § 4735.55 requirements that (1) grants the broker the exclusive right to represent the seller, and (2) provides the broker will be compensated if the broker, the SELLER, or ANY other person/entity produces a purchaser/tenant, or if the property is sold/leased during the term to anyone other than specifically exempted persons.

- ✓ Under an exclusive right to sell, the broker earns compensation even if the SELLER finds the buyer
- ✓ Compensation is owed if the property is sold during the term to anyone other than specifically exempted persons
- ✓ The agreement must meet the requirements of section 4735.55 of the Revised Code

134.2 Exclusive Agency Agreement

An 'exclusive agency agreement' is a seller-broker agency agreement meeting § 4735.55 requirements that (1) grants the broker the exclusive right to represent the seller, and (2) provides the broker will be compensated if the broker or any other person produces a buyer/tenant or the property sells during the term, UNLESS the property is sold/leased SOLELY through the seller's own efforts or to specifically exempted persons.

- ✓ Under an exclusive agency, the broker does NOT earn compensation if the seller sells solely through their own efforts
- ✓ This is the key distinction from an exclusive right to sell (where the seller's own sale still owes commission)
- ✓ The agreement must meet the requirements of section 4735.55

134.3 Exclusive Purchaser Agency Agreement

An 'exclusive purchaser agency agreement' is a buyer/tenant-broker agreement meeting § 4735.55 requirements that (1) grants the broker the exclusive right to represent the purchaser/tenant, and (2) provides the broker will be compensated per the terms or if a property is purchased/leased during the term unless specifically exempted. It may authorize the broker to receive compensation from the seller or seller's agent and may provide the buyer/tenant is not obligated to pay if the property is acquired solely through the buyer/tenant's own efforts.

- ✓ An exclusive buyer agency grants the broker the exclusive right to represent the purchaser or tenant
- ✓ The broker may be compensated by the seller or seller's agent under this agreement
- ✓ The buyer/tenant may be relieved of paying if the property is acquired solely through their own efforts

134.4 Nonexclusive Agency Agreement

A 'nonexclusive agency agreement' is an agreement between a purchaser, tenant, or seller and a broker meeting § 4735.55 requirements that (1) grants the broker the NONEXCLUSIVE right to represent the party, and (2) provides for compensation per its terms while allowing the client to obtain services from other brokers or brokerage firms, subject to the agreement's terms.

- ✓ A nonexclusive agency agreement allows the client to work with OTHER brokers or brokerage firms
- ✓ The broker is only compensated per the specified terms of the nonexclusive agreement
- ✓ It may be used with a purchaser, tenant, or seller

CHAPTER 135

ORC 4735.09(K)-(L) Examination Accommodations and Reciprocity

135.1 Universal License Recognition (Chapter 4796)

Notwithstanding any contrary provision, the superintendent must issue a salesperson license under Chapter 4796 to an applicant who satisfies the requirements of ORC 4796.03, 4796.04, or 4796.05, as applicable, AND passes an examination on Ohio real estate law.

- ✓ The superintendent must issue a license under Chapter 4796 if the applicant meets ORC 4796.03, 4796.04, or 4796.05
- ✓ The applicant must also pass an examination on Ohio real estate law

CHAPTER 136

ORC 4735.13(H) Salesperson Transfer Between Brokers

136.1 Salesperson Application to Change Brokers

When a salesperson applies to leave one broker to associate with a different broker, the broker holding the license need not notify the superintendent under division (B). The superintendent may process the transfer application regardless of whether the license is returned or division (B) notice is given.

- ✓ When a salesperson transfers brokers, the current broker need not give division (B) notice
- ✓ The superintendent may process the transfer whether or not the license is returned or notice is provided

CHAPTER 137

ORC 4735.27(G) License Renewal

137.1 Simplified Renewal Application

A dealer merely renewing the license for the previous year does not need to resubmit the full application. Only the information required by divisions (A)(2), (3), and (6) must be included in a renewal application.

- ✓ For renewal, the application need only contain the information required by divisions (A)(2), (3), and (6)
- ✓ Required renewal info covers entity ownership/officer details, principal and other office addresses, and the nature and places of business for the preceding ten-year period

CHAPTER 138

§ 4735.01(X)-(II) Additional Practice Definitions

138.1 Brokerage Personnel Definitions

'Principal broker' is the individual licensed broker who oversees and directs the operations of the brokerage. 'Associate broker' is an individual licensed as a broker who does NOT function as the principal broker or a management level licensee. 'Management level licensee' is a licensee affiliated with a broker who has supervisory responsibility over other licensees. 'Brokerage' is a business entity issued a broker's license, including affiliated licensees with management duties. 'Licensee' means any individual licensed as a broker or salesperson by the Ohio Real Estate Commission.

- ✓ The principal broker oversees and directs the operations of the brokerage
- ✓ An associate broker holds a broker's license but does NOT serve as principal broker or management level licensee
- ✓ A management level licensee has supervisory responsibility over other licensees
- ✓ 'Licensee' means an individual licensed as a broker or salesperson by the Ohio Real Estate Commission

138.2 Seller and Bona Fide Definitions

'Seller' means a party in a real estate transaction who is the potential transferor of property, including an owner seeking to sell and a LANDLORD seeking to rent or lease property. 'Bona fide' means made in good faith or without purpose of circumventing license law.

- ✓ 'Seller' includes a landlord seeking to rent or lease property, not just an owner selling
- ✓ 'Bona fide' means made in good faith or without purpose of circumventing license law

138.3 Right-to-List Home Sale Agreement

A 'right-to-list home sale agreement' is an agreement whereby a residential real estate owner agrees to give another person exclusive rights to list the property for sale at a future date in exchange for monetary (or equivalent) consideration, and that either (1) states it runs with the land or purports to bind future owners, or (2) purports to be a lien, encumbrance, or other real property security interest.

- ✓ A right-to-list home sale agreement grants exclusive future listing rights for present consideration
- ✓ It either purports to run with the land/bind future owners, or purports to be a lien or encumbrance
- ✓ These agreements are specifically defined (and regulated) under Ohio license law

138.4 Oil and Gas Land Professional Definition

An 'oil and gas land professional' means a person regularly engaged in the preparation and negotiation of agreements to explore for, transport, produce, or develop oil and gas mineral interests, including oil and gas leases and pipeline easements. Such professionals are exempt from licensing under division (I) when not engaged in the purchase/sale of a fee simple absolute interest in oil, gas, or other real estate and when complying with § 4735.023.

- ✓ Oil and gas land professionals negotiate oil/gas mineral interest agreements, leases, and pipeline easements
- ✓ They are exempt from broker licensing only if not dealing in fee simple absolute interests and complying with § 4735.023

CHAPTER 139

ORC 4735.27(H) Universal Licensing Under Chapter 4796

139.1 Reciprocity Licensing Under Chapter 4796

The superintendent shall issue a foreign real estate dealer license in accordance with Chapter 4796 (Ohio's universal/reciprocity licensing law) to applicants who hold an equivalent license in another state, or who have satisfactory work experience, government certification, or private certification in a state that does not issue such a license.

- ✓ The superintendent must issue a license under Chapter 4796 if the applicant holds a foreign real estate dealer license in another state
- ✓ The superintendent must issue a license under Chapter 4796 if the applicant has satisfactory work experience, a government certification, or a private certification as a foreign real estate dealer in a state that does not issue that license

CHAPTER 140

Supplement: Seller Property Condition Disclosure

140.1 Residential Property Disclosure Form (ORC 5302.30)

Ohio requires the seller (transferor) of residential real property of one to four dwelling units to complete the Residential Property Disclosure Form prescribed by the Director of Commerce, disclosing material matters within the seller's actual knowledge, and to deliver it to the purchaser before the purchase agreement is signed. If the form is delivered after the buyer signs the offer, the buyer may rescind by written notice within three business days after receipt, but the right ends at the earliest of closing, 30 days after the seller accepts the agreement, or the buyer's written waiver. Exempt transfers include court-ordered, fiduciary and foreclosure/deed-in-lieu transfers, transfers between co-owners or to a spouse or lineal descendant, transfers involving a governmental entity, and newly constructed homes never inhabited. The seller is not liable for errors outside actual knowledge, and a licensee is not liable for the seller's failure to complete the form, but an as-is sale does not excuse the form. Source: Ohio Rev. Code § 5302.30

- ✓ Applies to residential property with 1-4 dwelling units; form prescribed by the Ohio Director of Commerce
- ✓ Seller must deliver the completed form before the purchase agreement is signed
- ✓ Late delivery gives the buyer 3 business days after receipt to rescind in writing
- ✓ Rescission right ends at closing, 30 days after acceptance, or written waiver, whichever is first
- ✓ Exempt: new never-occupied construction, court-ordered, fiduciary, foreclosure, co-owner, spouse/lineal-descendant and governmental transfers

CHAPTER 141

Supplement: Landlord-Tenant Law

141.1 Security Deposits: 5% Interest, 30-Day Return, Double Damages (ORC 5321.16)

Ohio sets no maximum security deposit, but if the deposit exceeds the greater of $50 or one month's rent and the tenant stays six months or more, the landlord must pay 5 percent annual interest on the excess, computed and paid annually. Within 30 days after termination of the rental agreement and delivery of possession, the landlord must return the deposit less itemized deductions for unpaid rent and damages, with a written itemization. The tenant must give a forwarding address in writing to enforce these rights. A landlord who wrongfully withholds any amount is liable for that amount plus damages equal to the same amount (double) and reasonable attorney fees. Source: Ohio Rev. Code § 5321.16

- ✓ No statutory cap on the amount of a security deposit in Ohio
- ✓ 5% annual interest is owed on the portion exceeding $50 or one month's rent (whichever is greater) if tenancy lasts 6 months or more
- ✓ Deposit and itemized list of deductions must be delivered within 30 days after termination and delivery of possession
- ✓ Tenant must furnish a forwarding address in writing
- ✓ Wrongful withholding: tenant recovers the amount withheld plus an equal amount as damages plus attorney fees

141.2 Landlord-Tenant Act: Notices, Entry, Rent Escrow, Eviction (ORC Ch. 5321, 1923)

Under the Ohio Landlord-Tenant Act, a week-to-week tenancy is terminated by 7 days notice and a month-to-month tenancy by 30 days notice given before the periodic rental date. A landlord must give reasonable notice, presumed to be 24 hours, and enter at reasonable times except in an emergency; landlord duties include complying with building and housing codes and keeping the premises fit and habitable, while tenants must keep the unit safe and sanitary. If the landlord fails to perform its duties after 30 days written notice, a tenant who is current in rent may deposit rent with the clerk of the municipal or county court (rent escrow), except against a landlord with three or fewer units who gave written notice of that fact. Retaliation and self-help eviction (lockouts, utility shutoffs) are prohibited; eviction requires a 3-day notice to leave the premises containing the statutory warning language, followed by a forcible entry and detainer action. Ohio law (ORC 5321.19, enacted 2022) also bars political subdivisions from enacting rent control. Source: Ohio Rev. Code § § 5321.02, 5321.04, 5321.05, 5321.07, 5321.15, 5321.17, 5321.19; § 1923.04

- ✓ Notice to terminate: 7 days for week-to-week, 30 days for month-to-month
- ✓ Landlord entry requires reasonable notice, presumed 24 hours, at reasonable times, except emergencies
- ✓ Rent escrow with the court clerk is available after 30 days written notice if the tenant is current in rent; not available against landlords with 3 or fewer units who gave written notice
- ✓ Eviction begins with a 3-day statutory notice to leave; self-help eviction is prohibited
- ✓ Ohio preempts local rent control ordinances (ORC 5321.19)

CHAPTER 142

Supplement: Ohio Fair Housing Law

142.1 Ohio Civil Rights Act: Protected Classes and Enforcement (ORC 4112.02(H))

Ohio's fair housing law prohibits discrimination in the sale, rental, financing, advertising and brokerage of housing on the basis of race, color, religion, sex, military status, familial status, ancestry, disability, or national origin. Ancestry and military status are protected classes beyond federal law. The Ohio Civil Rights Commission administers the law; a charge must be filed with the Commission within one year of the alleged discriminatory practice, and a private civil action is also available (verify current limitation period). Blockbusting, steering and discriminatory advertising are unlawful, and licensees receive no exemption; a fair housing violation is also grounds for license discipline under ORC 4735.18. Source: Ohio Rev. Code § § 4112.02(H), 4112.04, 4112.05, 4112.051

- ✓ Nine Ohio protected classes: race, color, religion, sex, military status, familial status, ancestry, disability, national origin
- ✓ Ancestry and military status are Ohio additions beyond the federal Fair Housing Act
- ✓ Charges are filed with the Ohio Civil Rights Commission within 1 year of the act
- ✓ Licensees have no exemption from the Ohio Civil Rights Act
- ✓ Violation is grounds for suspension or revocation under ORC 4735.18

CHAPTER 143

Supplement: Transfer Tax and Recording

143.1 Real Property Conveyance Fee: $1 State plus up to $3 County per $1,000

Ohio imposes a mandatory real property conveyance fee of ten cents per $100 ($1 per $1,000) of consideration on each deed transferring real estate, and each county may levy an additional permissive fee of up to three mills ($3 per $1,000), for a combined maximum of $4 per $1,000. The fee is collected by the county auditor when the deed is presented for transfer and is customarily paid by the seller (grantor). A conveyance fee statement (DTE 100) or exemption statement (DTE 100EX) must accompany every deed; exempt transfers include those for no consideration, between spouses, to or from governmental units, by gift, and certain court-ordered or corrective deeds. Recording fees are charged separately by the county recorder (approximately $34 for the first two pages and $8 per additional page; verify current amount). Source: Ohio Rev. Code § 319.54(G)(3); § 322.02; § 317.32

- ✓ State conveyance fee is $1 per $1,000 of consideration
- ✓ Counties may add a permissive fee up to $3 per $1,000, total maximum $4 per $1,000
- ✓ Fee is paid to the county auditor at transfer, customarily by the seller
- ✓ Example: $200,000 sale in a county charging the maximum = $800
- ✓ Exempt transfers must be documented on a DTE 100EX statement

CHAPTER 144

Supplement: Ohio Property Law

144.1 Dower Rights and Survivorship Deeds (ORC 2103.02, 5302.17, 5302.22)

Ohio is one of the few states that still recognizes dower: a surviving spouse is entitled to a life estate in one-third of all real property the other spouse owned at any time during the marriage, unless the interest was released. Because inchoate dower attaches during marriage, a married seller's spouse must sign the deed or mortgage to release dower even if the spouse is not on title; dower ends on divorce or death of the non-owning spouse. Ohio abolished new tenancies by the entirety in 1985; co-owners who want survivorship must use a survivorship deed under ORC 5302.17 creating a joint tenancy with right of survivorship. Ohio also permits a transfer on death designation affidavit (ORC 5302.22) to pass real estate outside probate. Source: Ohio Rev. Code § § 2103.02, 5302.17, 5302.22

- ✓ Dower = life estate in one-third of real property owned by the other spouse during marriage
- ✓ Non-titled spouse must sign the deed or mortgage to release dower
- ✓ Dower is barred by divorce; it is not terminated by legal separation alone
- ✓ No new tenancy by the entirety since 1985; survivorship deed under ORC 5302.17 is used instead
- ✓ Transfer on death designation affidavit avoids probate (ORC 5302.22)

144.2 Land Installment Contracts (ORC Chapter 5313)

A land installment contract for residential property must be in writing, signed by both parties, contain the statutory terms (price, payments, interest, encumbrances, taxes and insurance responsibility, legal description), and be recorded by the vendor with the county recorder within 20 days after it is signed; the vendor must give the vendee a copy. The vendor may not mortgage the property for more than the contract balance and must furnish the vendee a statement of account on request (at least annually, verify). If the vendee has paid for five years or more or has paid 20 percent or more of the purchase price, the vendor cannot forfeit and must foreclose judicially; otherwise, after a 30-day written notice of default, the vendor may pursue forfeiture through a forcible entry and detainer action. Source: Ohio Rev. Code § § 5313.02, 5313.03, 5313.05-5313.07

- ✓ Vendor must record the contract within 20 days after execution
- ✓ Contract must be written and contain the statutorily required terms
- ✓ Forfeiture requires a written default notice and at least 30 days to cure
- ✓ Vendor must foreclose (not forfeit) once vendee has paid 5 years or 20% of price
- ✓ Vendor cannot encumber the property for more than the unpaid contract balance

144.3 Deed and Lease Formalities, Recording, Statute of Frauds, and 21-Year Adverse Possession

A deed, mortgage or lease of Ohio real property must be signed by the grantor and acknowledged before a notary or other authorized officer to be recordable; unrecorded instruments are void as against subsequent bona fide purchasers who record first. Leases for three years or less need not be acknowledged or recorded and may be oral; leases exceeding three years must be in writing, acknowledged and recorded. Contracts for the sale of land or any interest in land must be in writing under the Ohio statute of frauds. Title by adverse possession requires open, notorious, exclusive, continuous and adverse possession for 21 years. Source: Ohio Rev. Code § § 5301.01, 5301.08, 5301.25, 1335.04, 1335.05, 2305.04

- ✓ Deeds and mortgages must be signed by the grantor and notarized (acknowledged) to be recorded
- ✓ Leases longer than 3 years must be written, acknowledged and recorded; 3 years or less may be oral
- ✓ Recording gives constructive notice; unrecorded deeds are void against a later bona fide purchaser who records
- ✓ Contracts to sell real estate must be in writing (statute of frauds)
- ✓ Adverse possession period in Ohio is 21 years

CHAPTER 145

Supplement: Property Tax

145.1 Property Tax: 35% Assessment, Reappraisal Cycle, Homestead and Owner-Occupancy Credits

Ohio real property is assessed at 35 percent of its true (market) value; the county auditor reappraises every six years with a triennial update in the third year. Tax rates are expressed in mills (one mill = $1 per $1,000 of assessed value), taxes are a lien as of January 1 and are paid semiannually in arrears. The homestead exemption for owners age 65 or older, permanently disabled, or surviving spouses reduces taxable value by an indexed amount (about $28,000 for 2025; income limit about $40,000 Ohio adjusted gross income; enhanced amount for disabled veterans; verify current figures). Owner-occupied homes also receive a 2.5 percent owner-occupancy credit, and valuation complaints are filed with the county board of revision by March 31. Source: Ohio Rev. Code § § 5713.01, 5715.01, 323.152, 5715.19

- ✓ Assessed value = 35% of true (market) value
- ✓ Sexennial reappraisal with a triennial update
- ✓ 1 mill = $1 of tax per $1,000 of assessed value; taxes paid semiannually in arrears
- ✓ Homestead exemption for 65+/disabled/surviving spouse owners is income-tested and indexed (verify amount)
- ✓ Board of revision complaints are due by March 31

CHAPTER 146

Supplement: Foreclosure and Mortgage Law

146.1 Judicial Foreclosure, Two-Thirds Minimum Bid, and Redemption Until Confirmation

Ohio is a judicial foreclosure state; the lender sues in the common pleas court, and the property is appraised and sold at a sheriff's or private selling officer's sale after notice published for three consecutive weeks. At the first sale the property may not be sold for less than two-thirds of its appraised value; if it does not sell, a second residential sale may be held without the minimum bid. The mortgagor may redeem by paying the judgment, interest and costs at any time before the court confirms the sale; Ohio has no statutory redemption period after confirmation. A deficiency judgment on an owner-occupied residence of one or two families becomes unenforceable two years after the confirmation of sale. Source: Ohio Rev. Code § § 2323.07, 2329.20, 2329.26, 2329.33, 2329.52, 2329.08

- ✓ Ohio foreclosure is judicial (court action); no power-of-sale foreclosure
- ✓ First sheriff's sale minimum bid = 2/3 of appraised value; second residential sale has no minimum
- ✓ Equity of redemption exists only until the court confirms the sale; no post-confirmation redemption
- ✓ Notice of sale published once a week for 3 consecutive weeks
- ✓ Residential deficiency judgments become dormant 2 years after confirmation

CHAPTER 147

Supplement: Condominium and HOA Law

147.1 Condominium Act Disclosure Statement and 15-Day Rescission; Planned Community Law

Under the Ohio Condominium Act, a developer selling a unit must furnish the purchaser a written disclosure statement (declaration, bylaws, budget, fees, warranties and other required information), and the purchaser may void the contract without penalty by written notice within 15 days after receiving the disclosure statement. Purchase deposits and down payments paid to the developer must be held in escrow until closing, and the developer must provide a statutory warranty on new units. Unit owners' associations have a lien for unpaid assessments (ORC 5311.18), and owners must be given access to association records; Ohio has no separate statutory resale certificate, so the purchase agreement should require delivery of the declaration, bylaws and financial information. Planned communities (HOAs) are governed by ORC Chapter 5312, which authorizes assessments, liens and rule enforcement. Source: Ohio Rev. Code § § 5311.25, 5311.26, 5311.27, 5311.18; Ch. 5312

- ✓ Developer must give a written disclosure statement before sale of a condominium unit
- ✓ Purchaser may cancel within 15 days after receipt of the disclosure statement
- ✓ Developer must hold deposits in escrow until closing
- ✓ Association has a lien for unpaid assessments (ORC 5311.18)
- ✓ Planned communities/HOAs are governed by ORC Chapter 5312

CHAPTER 148

Supplement: Closing Practice

148.1 Ohio Good Funds Law for Closings (ORC 1349.21)

Ohio does not require an attorney to conduct a closing; closings are customarily handled by title agencies or escrow agents who issue title insurance. Under the Good Funds Law (effective 2017), a settlement or escrow agent may not disburse funds from a residential closing until it has received collected, good funds. Amounts of $10,000 or more must be delivered by wire transfer; amounts under $10,000 may be by wire, cashier's or certified check, or a check drawn on a real estate broker's trust account; and only amounts under $1,000 may be paid by personal check. Wire fraud warnings and verification of wiring instructions are standard practice. Source: Ohio Rev. Code § 1349.21

- ✓ No attorney is required at an Ohio real estate closing; title agencies commonly close
- ✓ Funds of $10,000 or more must be wired to the settlement agent
- ✓ Amounts under $10,000 may be cashier's or certified check or broker trust account check
- ✓ Personal checks are acceptable only for amounts under $1,000
- ✓ Settlement agent may not disburse until funds are collected