



STATE OF NEW JERSEY

Division of

the

New Jersey Real Estate Commission,

P.O. Box 1510

201 East State Street

Trenton, New Jersey 08625

in the

New Jersey,

Department of Insurance,

1972

THE NEW JERSEY

REAL ESTATE LICENSE ACT

AND

RULES AND REGULATIONS



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1972 C.1

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**THE NEW JERSEY
REAL ESTATE LICENSE ACT
Title 45, Chapter 15**

“An Act to define, regulate and license real estate brokers and salesmen, creating a State Real Estate Commission, defining its powers and duties, and providing penalties for the violation of the provisions hereof.”

**45:15-1 License Required to Engage in Business
as Real Estate Broker or Salesman**

No person shall engage either directly or indirectly in the business of a real estate broker or salesman, temporarily or otherwise, and no person shall advertise or represent himself as being authorized to act as a real estate broker or salesman, or to engage in any of the activities described in section 45:15-3 of the Revised Statutes, without being licensed so to do as hereinafter provided.

45:15-2 “Engaging in Business” Defined

Any single act, transaction or sale shall constitute engaging in business within the meaning of this article.

45:15-3 Real Estate Broker and Real Estate Salesman Defined. Allegations and Proof in Actions.

A real estate broker, for the purposes of this article, is defined to be a person, firm or corporation who, for a fee, commission or other valuable consideration, or by reason of a promise or reasonable expectation thereof, lists for sale, sells, exchanges, buys or rents, or offers or attempts to negotiate a sale, exchange, purchase or rental of real estate or an interest therein, or collects or offers or attempts to collect rent for the use of real estate or solicits for prospective purchasers or assists or directs in the procuring of prospects or the negotiations or closing of any transaction which does or is contemplated to result in the sale, exchange, leasing, renting or auctioning of any real estate or negotiates, or offers or attempts or agrees to negotiate a loan secured or to be secured by mortgage or other encumbrance upon or transfer of any real estate for others, or any person who, for pecuniary gain or expectation of pecuniary gain, conducts a public or private competitive sale of lands or any interest in lands. In the sale of lots pursuant to the provisions of this article, the term “real estate broker” shall also include any person, partnership, association or corporation employed by or on behalf of the owner or owners of lots or other parcels of real estate, at a stated salary, or upon a commission, or upon a salary and commission, or otherwise, to sell such real estate, or any parts thereof, in lots or other parcels, and who shall sell or exchange, or offer or attempt or agree to negotiate the sale or exchange, of any such lot or parcel of real estate.

A real estate salesman, for the purposes of this article, is defined to be any person who, for compensation, valuable consideration or commission, or other thing of value, or by reason of a promise or reasonable expectation thereof, is employed by and operates under the supervision of a licensed real estate broker to sell or offer to sell, buy or offer to buy or negotiate the purchase, sale or exchange of real estate, or offers or attempts to negotiate a loan secured or to be secured by a mortgage or other encumbrance upon or transfer of real estate, or to lease or rent, or offer to lease or rent any real estate for others, or to collect rents for the use of real estate, or to solicit for prospective purchasers or lessees of real estate, or who is employed by a licensed real estate broker to sell or offer to sell lots or other parcels or real estate, at a stated salary, or upon a commission, or upon a salary and commission, or otherwise to sell real estate, or any parts thereof, in lots or other parcels.

No person, firm, partnership, association or corporation shall bring or maintain any action in the Courts of this State for the collection of compensation for the performance of any of the acts mentioned in this article without alleging and proving that he was a duly licensed real estate broker at the time the alleged cause of action arose.

45:15-4 Application of Provisions of Article Limited

The provisions of this article shall not apply to any person, firm, partnership, association or corporation who, as a bonafide owner or lessor, shall perform any of the aforesaid acts with reference to property owned by him nor shall they apply or be construed to include attorneys at law, receivers, trustees in bankruptcy, executors, administrators or persons selling real estate under the order of any court or the terms of a deed of trust, state banks, federal banks, savings banks and trust companies located within the state, or to insurance companies incorporated under the insurance laws of this state.

45:15-5 New Jersey Real Estate Commission Membership; Appointment; Terms of Office; Vacancies; Removals

The New Jersey real estate commission, hereinafter in this article designated as the "commission," created and established by an act entitled "An Act to define, regulate and license real estate brokers and salesmen, to create a State real estate commission and to provide penalties for the violation of the provisions hereof," approved April fifth, one thousand nine hundred and twenty-one (L. 1921, c. 141, p. 370), as amended by an act approved April twenty-third, one thousand nine hundred and twenty-nine (L. 1929, c. 168, p. 310), is continued. The commission shall constitute the division of the New Jersey Real Estate Commission in the Department of Banking and Insurance. The commission shall consist of five members, each of whom shall have been a resident of this State for a period of at least ten years, and his vocation for a period of at least ten years prior to the date of his appointment shall have been that of a real estate broker. Upon the expiration of the term of office of any member, his succes-

sor shall be appointed by the Governor for a term of three years. Each member shall hold his office until his successor has qualified. Members to fill vacancies shall be appointed by the Governor for the unexpired term. Under an act entitled "An Act pertaining to certain professional boards and commissions," approved March twenty-fifth, One Thousand Nine Hundred and Seventy-one (L. 1971, c.60), in addition to the membership prescribed by law, the Governor shall appoint a Public Member and a Governmental Designee to the New Jersey Real Estate Commission. The Public Member shall be appointed for the term prescribed for the other members of the Commission or until the appointment of his successor. Vacancies shall be filled for the unexpired term only. The Governmental Designee shall serve at the pleasure of the Governor as a member of such Commission. A majority of the voting members of such Commission shall constitute a quorum thereof. The Governor may remove any commissioner for cause, upon notice and opportunity to be heard.

45:15-6 President; Rules and Regulations; Compensation and Expense Allowances of Members

The commission shall select from its members a president, and may do all things necessary and convenient for carrying into effect the provisions of this article, and may from time to time promulgate necessary rules and regulations. Each member of the commission shall receive a salary of \$5,000.00 per annum and his actual and necessary expenses incurred in the performance of duties pertaining to his office. No commissioner shall receive any other compensation, either directly or indirectly, for his service.

45:15-7 Personnel; Duties and Compensation; Office Space; Supplies

The Commissioner of Insurance shall provide the commission with such personnel as he shall deem necessary, after consultation with the commission, for the proper discharge of the duties imposed by the provisions of this article. The Commissioner of Insurance shall prescribe the duties of persons thus assigned to the commission, and shall fix their compensation, within the limits of available appropriations therefor. The Commissioner of Insurance shall provide the commission with such office space, furniture and stationery as he shall determine, after consultation with the commission, to be reasonably necessary for carrying out the provisions of the article.

45:15-8 Seal; Certified Copies of Records as Evidence; Public Inspection of Records

The Commission shall adopt a common seal by which it shall authenticate its proceedings. Copies of all records and papers in the office of the commission, duly certified and authenticated by its seal, shall be received in evidence in all courts with like effect as the original. All records kept in the office of the commission under the authority of this article shall be open to public inspection under regulations prescribed by the commission.

45:15-9 Application for License; Qualifications; Fee

All persons desiring to become real estate brokers or real estate salesmen shall apply to the commission for a license under the provisions of this article. Every applicant for a license as a broker shall be of the age of 21 years or over and a citizen of the United States, and in the case of an association or a corporation the directors thereof shall be of the age of 21 years or over and citizens of the United States. Application for a license, whether as a real estate broker or a real estate salesman, shall be made to the commission upon forms prescribed by it and shall be accompanied by a fee of \$10.00 which shall not be refundable. Every applicant for a license as a broker shall have the equivalent of a high school education and every applicant for a license as a real estate salesman shall have the equivalent of an eighth grade school education. The applicant shall furnish evidence of a good moral character, and in the case of an association or corporation, the directors thereof shall furnish evidence of good moral character. Every such application shall be on file with the commission at least 10 days prior to the granting of a license. Every applicant for a license as a broker shall have first served an apprenticeship of 2 full years as a duly licensed real estate salesman in this State immediately preceding the date of application. No license as broker shall be granted to a corporation unless at least one of the officers of said corporation qualifies as a broker, to transact business in the name and on behalf of said corporation; the license of said corporation shall cease if at least one officer does not hold a license as a broker at all times; and no person shall transact business in the name and behalf of a corporation duly licensed as a broker unless he shall hold a license as a broker or salesman which permits him to act for such corporation. In event that any person to whom a broker's license has been or shall have been issued shall fail to renew such license or obtain a new license for a period of 3 consecutive years or more after the expiration of such license, the commission may require such person to serve the same apprenticeship and to pass an examination and comply with the same conditions on application for a broker's license as if he had never had such a license issued to him.

45:15-10 Examination; Granting and Annual Renewal of Licenses

Before any such license shall be granted the applicant, and in the case of an association or corporation, the directors or officers thereof actually engaged in the real estate business as broker and salesman, shall submit to an examination to be conducted by the commission, which examination may be written or oral, or partly written and partly oral, and shall include reading, writing, spelling, elementary arithmetic, a general knowledge of the statutes of New Jersey concerning real property, conveyancing, mortgages, agreements of sale and leases and of the provisions of this article. The commission may make rules and regulations for the conduct of such examinations. Upon satisfactorily passing such examination a

license shall be granted by the commission to the successful applicant therefor as a real estate broker or a real estate salesman and the applicant, upon receiving the license, is authorized to conduct in this state the business of a real estate broker or of a real estate salesman, as the case may be. Such license shall be renewed, without examination, on the first day of July, subsequent to its issue and annually thereafter, upon the payment of the fee fixed by section 45:15-15 of this title.

45:15-10.1 Courses as Prerequisites for Licenses

A. As a prerequisite to admission to an examination, every individual applicant for license as a real estate salesman shall give evidence of 30 hours satisfactory completion in the aggregate of such courses of education in real estate subjects at a school approved by the commission as the commission shall by regulation prescribe.

B. As a prerequisite to admission to an examination, every individual applicant for license as a real estate broker shall give evidence of 42 hours satisfactory completion in the aggregate of such courses of education in real estate subjects at a school approved by the commission as the commission shall by regulation prescribe.

45:15-10.2 Waiver of Educational Requirements

The educational requirements adopted by the commission pursuant to section 1 (45:15-10.1) of this act may be waived in the case of an applicant for examination who: (1) holds a real estate broker's license issued by another state or (2) was previously licensed as a broker in this state; provided, however, that the commission shall determine that the experience of such applicant is substantially equivalent to such educational requirements. In the event any applicant for admission to examination for either a real estate salesman's or broker's license shall present evidence of having satisfactorily completed such courses in real estate subjects in any college, the educational requirements adopted by the commission pursuant to section 1 of this act may be waived.

45:15-11 License Granted to Certain Veterans Without Cost

A citizen of New Jersey who has served in the military or naval forces of the United States in any war, has been honorably discharged and who, having been wounded or disabled in line of duty, has completed a program of courses in real estate in any college or school approved by the Department of Education of the State of New Jersey, and who has successfully passed an examination conducted by said commission qualifying him to operate as a real estate broker or a real estate salesman, may, upon presentation of a certificate certifying that he has completed such program of courses as aforesaid,

obtain without qualification through apprenticeship, a license to operate as a real estate broker or real estate salesman, as the case may be, which licenses shall be the same as other licenses issued under this article. New licenses may be granted under this section for each ensuing year, upon request, without annual fees therefor.

45:15-11.1 License to Officers of Corporation in Real Estate Business at Least 10 Years on Death of Another Officer

(Repealed)

45:15-11.2 Broker's License to Experienced Salesman, Without Apprenticeship, When

(Repealed)

45:15-11.3 Issuance of Temporary Real Estate Broker's Licenses in Certain Cases

In the event of the death of a licensed real estate broker where no other member or officer in the agency, copartnership, association or corporation of which he was a member or officer is the holder of a broker's license or where an individual broker dies leaving no employee holding a real estate broker's license, then the Real Estate Commission may issue a temporary broker's license on a special form to another person for the purpose of enabling such other person to continue the real estate activities upon behalf of and under the same designation of said agency, copartnership, association, corporation or individual, as the case may be, upon the filing of an application, together with payment of the regular license fee; provided such other person has been the holder of a real estate salesman's license for at least 2 years immediately preceding the date of the application and provided that said application shall have been made within 30 days from date of the demise of said broker.

Such temporary license shall continue only until the licensee is afforded an opportunity of pursuing the approved broker's course in accordance with the provisions of paragraph (B) of section 1 of the laws of 1966 (C. 45:15-10.1) and qualifying by examination. Such license may be issued and effective for a period of 6 months from the date of issuance. Such temporary license shall not be extended or renewed.

45:15-12 Places of Business, Duplicate Licenses

Every real estate broker shall maintain a place of business in this State except such non-resident brokers who qualify for licenses under the reciprocal provisions of section 45:15-20 of this article. A real estate broker's maintained place of business shall have prominently displayed therein the license

certificate of the broker and all licensed persons in his employ. In case a real estate broker maintains more than one place of business within this State, a duplicate license shall be issued to such broker for each branch office so maintained; provided, however, that the said branch office or offices are under the direct supervision of a competent licensee. Such duplicate license or licenses shall be issued upon the payment of a fee of \$10.00 for each license so issued. A real estate broker's maintained places of business shall have conspicuously displayed on the exterior thereof the broker's name and the words Licensed Real Estate Broker.

45:15-12.1 License Not Be Issued Within 5 Years of Conviction of Certain Crimes; Partners or Officers

No license shall be issued by the commission to any person known by it to have been, within five years theretofore, convicted of forgery, embezzlement, obtaining money under false pretenses, extortion, criminal conspiracy to defraud, or other like offense or offenses, or to any co-partnership of which such person is a member, or to any association or corporation of which said person is an officer, director or employee, or in which as a stockholder such person has or exercises a controlling interest either directly or indirectly. In the event of the revocation or suspension of the license issued to any member of a co-partnership, or to any officer of an association or corporation, the license issued to such co-partnership, association or corporation shall be revoked by the commission, unless within a time fixed by the commission, where a co-partnership, the connection therewith of the member whose license has been revoked shall be severed and his interest in the co-partnership and his share in its activities brought to an end, or where an association or corporation, the offending officer shall be discharged and shall have no further participation in its activity.

45:15-13 Form, Contents and Display of Licenses; Notice of Change of Places of Business

All licenses shall be issued by the commission in such form as it shall prescribe. Each licensee shall show the name and address of the licensee and shall have imprinted thereon the seal of the commission. Notice in writing shall be given to the commission by each licensed broker of any change of business location, whereupon the commission shall issue a new license for the unexpired period, upon the payment of a fee of \$5.00 for each new license certificate so issued. A change of business location without notification to the commission, and without the issuance of a new broker's license, shall automatically cancel the license theretofore issued.

45:15-14 Custody of Salesmen's Licenses; Return of License Upon Termination of Employment; New License Upon Re-employment

All licenses issued to real estate salesmen shall be kept by the broker by whom such real estate salesman is employed. When any real estate salesman is discharged, or terminates his employment with the real estate broker by whom he was employed at the time of the issuing of such license to him, such employer shall immediately deliver, or send by registered mail, to the commission, such real estate salesman's license. Such employer shall, at the same time, address a communication to such real estate salesman at his last known residence, advising him that his license has been delivered or mailed to the commission, and a copy of such communication to the real estate salesman shall accompany the license when mailed or delivered to the commission. No real estate salesman shall perform any of the acts contemplated by this article, either directly or indirectly, under the authority of such salesman's license, from and after the date of receipt of said license by the commission. A new license may be issued to such salesman, upon the payment of a fee of \$5.00, upon satisfactory proof that he has obtained employment with another licensed broker. A salesman must be licensed under a broker; he cannot be licensed with more than one broker at the same time.

45:15-15 License Fees; Renewals; Refusal or Revocation of Licenses: Effect

The annual fee for each real estate broker's license shall be \$30.00, and the annual fee for each real estate salesman's license shall be \$15.00. The annual fee for a branch office license shall be \$10.00. Each license granted under this article shall entitle the licensee to perform all of the acts contemplated herein during the period for which the license is issued as prescribed by this article. If a licensee fails to apply for a renewal of his license prior to the date of expiration of such license, the commission may refuse to issue a renewal license except upon the payment of a late renewal fee in the amount of \$5.00 for a salesman and \$10.00 for a broker; provided, however, the commission may, in its discretion, refuse to renew any license upon sufficient cause being shown. New licenses may be granted for each ensuing year upon request of licensees and the payment of the annual fee therefor as herein required, but the commission may, in its discretion, refuse to grant any new license upon sufficient cause being shown. The revocation or suspension of a broker's license shall automatically suspend every real estate salesman's license granted to employees of the broker whose license has been revoked or suspended, pending a change of employer and the issuance of a new license. The new license shall be issued without additional charge, if the same is granted during the year in which the original license was granted.

45:15-16 Salesmen's Commissions to be Paid Only by Employer

No real estate salesman shall accept a commission or valuable consideration for the performance of any of the acts herein specified from any person except his employer, who must be a licensed real estate broker.

45:15-16.1 Promotional Sales of Property Located Outside State; Investigation

Any broker who proposes to engage in sales of a promotional nature in this State of property located outside of this State must submit to the commission, before doing so, full particulars regarding such property and the proposed terms of sale, accompanied by a filing fee of \$50.00, and said broker and his salesmen must comply with such rules, regulations, restrictions and conditions pertaining thereto as the commission in its discretion may impose. The commission shall investigate all such matters, and all expenses incurred by the commission in investigating such property and the proposed sale thereof in this State shall be borne by the broker. No broker or salesman shall in any manner refer to the New Jersey Real Estate Commission, or to any officer or employee thereof, in selling, offering for sale, or advertising, or otherwise promoting the sale, mortgage or lease of any such property except in the manner provided for by this section.

The findings of the commission's investigation of any such property shall be contained in a public report, which the commission may have published. A clearly identified copy of the commission's public report on such property shall be given to each prospective purchaser or lessee by the broker prior to the execution of a contract for the sale or lease of any portion of the said property. A receipt for a copy of the report from the purchaser shall be taken by the broker and, if a contract of sale or a lease shall be entered into, the receipt shall be kept in the broker's files for a period of 3 years and shall be subject to inspection by the Commission.

Any such public report of the commission shall not be used for advertising or sales promotional purposes unless it is used in its entirety. No portion of the report shall be underscored, italicized or printed in larger or heavier type than the balance of the report, unless the copy of the report furnished by the commission so indicates.

Every broker or employee who knowingly authorizes, directs or aids in the publication, advertisement, distribution or circulation of any false statement or material misrepresentation or who with knowledge that any advertisement, pamphlet, prospectus or letter concerning such property or subdivision contains any written statement that is false or fraudulent, or causes the same to be issued, circulated, or distributed, concerning any such property or subdivision thereof offered for sale or lease in this State, shall be guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine of not more than \$2,500.00 or by imprisonment for not less than 2 years or more than 3 years, or by both such fine and imprisonment.

45:15-16.2 Educational and Information Programs

The Division of the New Jersey Real Estate Commission in the State Department of Insurance, within the limits of appropriations available or to be made available to it for the purpose, may conduct educational and information programs relating to the real estate brokerage business and real estate brokers and salesmen for the information, education, guidance and protection of the general public, licensees, and applicants for license. The educational and information programs may include preparation, printing and distribution of publications and articles and the conduct of conferences, forums, lectures and a public information service.

45:15-17 Investigation of Licensees, Grounds for Suspension or Revocation of Licenses, Rules and Regulations

The commission may, upon its own motion, and shall, upon the verified complaint in writing of any person, investigate the actions of any real estate broker or real estate salesman, or any person who assumes to act in either such capacity within this State; and the commission may suspend for a period less than the unexpired portion of the license period, or may revoke any license issued under the provisions of this article, or may impose, as an alternative to such revocation or suspension, a penalty of not more than \$200.00 for the first violation, a penalty of not more than \$500.00 for a second violation, and for any subsequent violation a penalty of \$500.00, which penalty shall be sued for and recovered by and in the name of the commission and shall be collected and enforced by summary proceedings pursuant to the Penalty Enforcement Law (N.J.S. 2A:58-1 et seq.), where the licensee or any person, in performing or attempting to perform any of the acts mentioned herein, is deemed to be guilty of:

- a. Making any false promises or any substantial misrepresentation; or
- b. Acting for more than one party in a transaction without the knowledge of all parties thereto; or
- c. Pursuing a flagrant and continued course of misrepresentation or making of false promises through agents, salesmen, advertisements or otherwise; or
- d. Failure to account for or to pay over any moneys belonging to others, coming into the possession of the licensee; or
- e. Any conduct which demonstrates unworthiness, incompetency, bad faith or dishonesty; or
- f. Failure to provide his client with a fully executed copy of any sole or exclusive sales or rental listing contract at the time of execution thereof, and failure to specify therein a definite terminal date which terminal date shall not be subject to any qualifying terms or conditions; or

g. Using any plan, scheme or method for the sale or promotion of the sale of real estate which involves a lottery, a contest, a game, a prize, a drawing, or the offering of a lot or parcel, or lots or parcels for advertising purposes; or

h. Being convicted of a crime, knowledge of which the commission did not have at the time of last issuing a real estate license to the licensee; or

i. Collecting a commission as a real estate broker in a transaction, when at the same time representing either party in a transaction in a different capacity for a consideration; or

j. Using any trade name or insignia of membership in any real estate organization of which the licensee is not a member; or

k. Paying any rebate, profit, compensation or commission to anyone not possessed of a real estate license; or

l. Any other conduct, whether of the same or a different character than specified in this section, which constitutes fraud or dishonest dealing; or

m. Accepting a commission or valuable consideration as a real estate salesman for the performance of any of the acts specified in this act, from any person, except his employing broker, who must be a licensed broker; or

n. Procuring a real estate license, for himself or anyone else, by fraud, misrepresentation or deceit; or

o. Commingling the money or other property of his principals with his own or failure to maintain and deposit in a special account, separate and apart from personal or other business accounts, all moneys received by a real estate broker acting in said capacity, or as escrow agent, or the temporary custodian of the funds of others, in a real estate transaction; or

p. Selling property in the ownership of which he is interested in any manner whatsoever, unless he first discloses to the purchaser his interest therein; or

q. For the violation of any of the provisions of this article.

The commission is expressly vested with the power and authority to make, prescribe and enforce any and all rules and regulations for the conduct of the real estate brokerage business consistent with the provisions of this act.

45:15-18 Notice of Proposed Suspension or Revocation of License; Hearing; Court Review of Questions of Law

The commission shall, before suspending or revoking any license, and at least ten days prior to the date set for the hearing, notify in writing the licensee of any charges made, and afford him an opportunity to be heard in person or by counsel. Such written notice may be served either personally or sent by registered mail to the last known business address of

the licensee. If the licensee is a salesman, the commission shall also notify the broker employing him, specifying the charges made against such salesman, by sending a notice thereof by registered mail to the broker's last known business address. The commission shall have power to subpoena and bring before it any person in this state, or take testimony by deposition, in the same manner as prescribed by law in judicial proceedings in the courts of this state. Any final decision or determination of the commission shall be reviewable by the superior court by a proceeding in lieu of prerogative writ.

45:15-19 Revocation of Salesman's License not to Affect Employer's License; Exception

Any unlawful act or violation of any of the provisions of this article, by any real estate salesman, shall not be cause for the revocation of any real estate broker's license, unless it shall appear to the satisfaction of the commission that the real estate broker employing such salesman had guilty knowledge thereof.

45:15-19.1 License Revoked Upon Conviction of Certain Crimes

When, during the term of any license issued by the commission, the licensee shall be convicted by a court of competent jurisdiction in the State of New Jersey or any State (including Federal Courts) of forgery, embezzlement, obtaining money under false pretenses, extortion, criminal conspiracy to defraud, or other like offense or offenses and a duly certified or exemplified copy of the record in such proceedings shall be filed with the commission, the commission shall revoke forthwith the license by it theretofore issued to the licensee so convicted.

45:15-19.2 Suspension of License Upon Indictment

In the event that any licensee shall be indicted in the State of New Jersey or any State or territory (including Federal Courts) for forgery, embezzlement, obtaining money under false pretenses, extortion, criminal conspiracy to defraud, or like offense or offenses, and a certified copy of the indictment be filed with the commission, or other proper evidence thereof be to it given, the commission shall have authority, in its discretion, to suspend the license issued to such licensee pending trial upon such indictment.

45:15-20 Licensing Non-Residents; Reciprocal Privileges in Certain Cases; Form of License

A non-resident may become a real estate broker or real estate salesman by conforming to all of the provisions of this article. Any non-resident real estate broker regularly engaged in the real estate business as a vocation maintaining a definite

place of business in another State, and who has been licensed as a real estate salesman or broker for a period of two years or more in such State, which offers the same privileges to licensed brokers of this State, shall, by reason of such foreign license and upon payment of the license fee fixed by this article, be authorized to transact the business of a real estate broker in this State during the period for which his original license shall be in force.

Any non-resident real estate salesman licensed as such in another State may, from year to year, upon payment of the license fee fixed by this article, be licensed to transact the business of a real estate salesman in this State. (When such other State offers the same privileges to licensed real estate salesmen of this State.) Such license may be issued and shall remain in effect only under the following conditions:

a. During the period such salesman is regularly engaged in the real estate business as a vocation in the employ of a licensed real estate broker of another State;

b. During the period said employing real estate broker maintains a definite place of business in such other State;

c. During the period such real estate broker is licensed as a non-resident real estate broker in this State;

d. During the period such salesman continues to be licensed as a salesman in the office of such real estate broker in such other State or of another licensed real estate broker in another State who is licensed as a non-resident real estate broker in this State.

All non-resident licenses issued by the commission shall be on a special form distinguishable from licenses issued to resident brokers and salesmen, and shall show the name and address of the licensee and shall have imprinted thereon the seal of the commission and shall contain such other matter as shall be prescribed by the commission.

45:15-21 Non-Resident Licensees; Filing of Consent as to Service of Process and Pleadings

Every non-resident applicant shall file an irrevocable consent that suits and actions may be commenced against such applicant in any of the courts of record of this State, by the service of any process or pleading authorized by the laws of this State, in any county in which the plaintiff may reside, by serving the same on the secretary of the commission, said consent stipulating and agreeing that such service of such process or pleadings on said secretary shall be taken and held in all courts to be as valid and binding as if due service had been made personally upon the applicant in this state. This consent shall be duly acknowledged, and, if made by a corporation, shall be authenticated by its seal. An application from a corporation shall be accompanied by a duly certified copy of the resolution of the board of directors, authorizing the proper officers to execute it. In all cases where process or

pleadings shall be served, under the provisions of this article, upon the secretary of the commission, such process or pleadings shall be served in duplicate, one of which shall be filed in the office of the commission and the other shall be forwarded immediately by the secretary of the commission, by registered mail, to the last known business address of the non-resident licensee against which such process or pleadings are directed.

45:15-22 Publication of Lists of Licensees

The commission shall publish, at least once in each year, a list of the names and addresses of all licensees under the provisions of this article, and also a list of all licenses which have been suspended or revoked within one year from the date of publication. The list shall also contain such other information relative to the enforcement of the provisions of this article as the commission may deem of interest to the public. One of such lists shall be forwarded to the county clerk of each county within ten days after its publication, and shall be held by him as a public record for a period of one year. Such lists shall also be mailed by the commission to any person in this state upon request.

45:15-23 Penalty for Violations; Court Proceedings for Recovery

Any person who violates any of the provisions of this article shall be liable for the first violation to a penalty of not more than two hundred dollars; for a second violation to a penalty of not more than five hundred dollars, and for any subsequent violation to a penalty of five hundred dollars. The penalty shall be sued for and recovered by and in the name of the commission and shall be collected and enforced by summary proceedings pursuant to the Penalty Enforcement Law (N. J. S. 2A:58-1 et seq.) process shall issue at the suit of the board, as plaintiff, and shall be either in the nature of a summons or warrant.

45:15-24 Commitment of Defendant for Non-Payment; Trial

The court shall, if judgment be rendered for the plaintiff, cause any such defendant, who refuses or neglects to forthwith pay the amount of the judgment rendered against him and all costs and charges incident thereto, to be committed to the county jail for a period not exceeding thirty days.

45:15-25 Repealed

45:16-26 Repealed

45:15-27 Disposition of All Penalties

Any penalty recovered for any violation of this article shall be applied by the commission to the same purpose as other funds of the commission collected in accordance with the provisions of this article.

45:15-28 Repealed

45:15-29 Payment of Moneys into State Treasury; Payment of Expenses of Commission

All fees, fines and penalties received by the commission pursuant to the provisions of this article shall be paid by it into the state treasury monthly. The payments shall be made on or before the tenth day of each month following their receipt, and at the time of payment a statement thereof shall be filed with the state comptroller. All expenses incurred by the commission shall be paid from the general fund of the state, upon warrants of the state comptroller, upon vouchers or warrants therefor duly approved by the commission, but, in no case, shall the expenditures of the commission for any fiscal year exceed the revenues derived by it under this article. The state treasurer shall advance to the commission funds sufficient in amount to cover expenses incurred by the commission during the month of July in each year from the appropriation made to the commission, which funds shall be paid on warrant of the comptroller after certification by the commission that its receipts for said period are equal to or in excess of the amount to be advanced.

45:15-29.1 Transfer of Employees

Such employees of the New Jersey Real Estate Commission, as the Commissioner of Insurance may determine are needed for the proper performance of the work of the Division of the New Jersey Real Estate Commission in the Department of Insurance, are hereby transferred to the Department of Insurance. Persons transferred shall be assigned to such duties as the Commissioner of Insurance shall determine.

45:15-29.2 Rights Under Title 11 and Under Pension Laws Not Affected

Nothing in this act shall be construed to deprive any person of any right or protection provided him by Title 11 of the Revised Statutes Civil Service, or under any pension law or retirement system.

45:15-29.3 Orders, Rules and Regulations Previously Made

The orders, rules and regulations heretofore made or promulgated by the New Jersey Real Estate Commission shall continue with full force and effect until amended or repealed by the New Jersey Real Estate Commission constituted hereunder as the Division of the New Jersey Real Estate Commission in the Department of Insurance.

45:15-29.4 "New Jersey Real Estate Commission" References to

Whenever the term "New Jersey Real Estate Commission" occurs or any reference is made thereto, in any law, contract or document, the same shall be deemed to mean or refer to the New Jersey Real Estate Commission constituted hereunder as the Division of the New Jersey Real Estate Commission in the Department of Insurance.

45:15-29.5 Pending Actions or Proceedings

This act shall not affect actions or proceedings, civil or criminal, brought by or against the New Jersey Real Estate Commission and pending on the effective date of this act, and such actions or proceedings may be prosecuted or defended in the same manner and to the same effect by the New Jersey Real Estate Commission constituted hereunder as the division of the New Jersey Real Estate Commission in the Department of Insurance as if the foregoing provisions had not taken effect; nor shall any of the foregoing provisions affect any order or recommendation made by, or other matters or proceedings before the New Jersey Real Estate Commission; and all such matters or proceedings pending before the New Jersey Real Estate Commission on the effective date of this act shall be continued by the New Jersey Real Estate Commission constituted hereunder as the Division of the New Jersey Real Estate Commission in the Department of Insurance.

RULES AND REGULATIONS

The Commission, pursuant to authorization vested under the provisions of N. J. S. A. 45:15-6 and N. J. S. A. 45:15-17, does hereby promulgate and adopt the following rules and regulations to be effective July 1, 1961 and amended December 1, 1963. The Titles given to the several rules are intended for convenience of reference only and they should not be utilized to interpret the substance of any given rule.

1. Penalty for Violation

Violation of any of these Rules and Regulations, or of any real estate Statutes, shall be sufficient cause for any disciplinary action permitted by Statute.

2. Salesman's Qualifications for Licensing and Age Limit

(a) No salesman's license shall be issued to any person who has not attained the age of nineteen years.

(b) On and after September 1, 1967 every applicant shall present with his application for licensure examination a Certificate of satisfactory completion of a course of education in real estate subjects for a minimum of 30 aggregate hours at a school approved by the Commission as prescribed under R. S. 45:15-10.1(A) and Rules and Regulations No. 27 and No. 28 hereinafter set forth, unless waived by the Commission in accordance with the provisions of R. S. 45:15-10.2.

3. Qualifications for Licensing of Brokers

The New Jersey Real Estate License Act (subject to certain exceptions as set forth in R.S. 45:15-11, 11.1 and 11.2), among other required qualifications, provides that "Every applicant for a license as a broker shall have first served an apprenticeship of two full years as a duly licensed real estate salesman in this State immediately preceding the date of application."

On and after September 1, 1967 each and every applicant shall present with his application for licensure examination a Certificate of satisfactory completion of a course of education in real estate subjects for a minimum of 42 aggregate hours at a school approved by the Commission as prescribed under R.S. 45:15-10.1(B) and Rules and Regulations No. 27 and No. 28 hereinafter set forth, unless waived by the Commission in accordance with the provisions of R. S. 45:15-10.2.

The Commission defines the word "apprenticeship," as used in the aforesaid statute, to require a broker-salesman relationship wherein an adequate knowledge of the methods, techniques and terminology of the business, as well as the pitfalls for the public and licensees alike, has been engendered by intimate, intensive and successful contact with diverse aspects of the real estate business under the guidance and direction of a licensed broker. In order to satisfy the above requirements, an applicant must have been so employed sub-

stantially full time during his apprenticeship as a salesman. In addition, an applicant and the broker under whom he serves his apprenticeship shall see to it that the apprenticeship includes practices and experience in all aspects of the real estate business as set forth in R. S. 45:15-3.

Approval of an applicant is not based rigidly upon the number of hours worked, number of sales, number of rentals or number of mortgage transactions, nor on the dollar value, but rather is based upon the combined weight and variety of these elements. In addition, applicants may be required to appear and answer interrogatories relating to their general background and experience.

The Commission shall give due consideration to the following as guides in reviewing the qualifications of an applicant:

(a) Evidence of having applied oneself fully with time equivalent to forty hours a week over a period of two years devoted to the business.

(b) Evidence of diversified experience in the field of sales, rentals and mortgages, with participation approximating six transactions a year in each of the three aforementioned categories.

4. Qualifications for Corporate Licensing

(A) N. J. S. A. 45:15-9 states in part: "No license as a broker shall be granted to a corporation unless at least one of the officers of said corporation qualifies as a broker to transact business in the name and on behalf of said corporation; the license of said corporation shall cease if at least one officer does not hold license as a broker at all times, and no person shall transact business in the name and on behalf of a corporation duly licensed as a broker unless he shall hold a license as a broker or salesman."

(B) In interpretation of the above quoted statute, the following regulations shall control:

1. The Commission will hold responsible the individual licensed broker or brokers qualified to transact business in the name and on behalf of the corporate licensee in accordance with the provisions of N. J. S. A. 45:15-9 for any actions of the corporate licensee or its agents in the pursuit of its real estate brokerage business, which violate any of the provisions of the Real Estate Statutes or the Regulations promulgated thereunder.
2. Every real estate transaction in which a corporate licensee participates as a broker shall be under supervision of the broker or brokers qualified to transact business in the name and on behalf of said corporation.
3. The broker qualified to transact business in the name and on behalf of the corporate licensee, in addition to ascertaining that a separate account is maintained for the funds of others coming into the possession of the licensee, shall make certain that no such funds of

others are disbursed or utilized without his express authorization and knowledge.

4. The provisions of subsection (B) do not apply to brokers employed in the capacity of salesmen.

5. Examination — Rules

In the conduct of examinations for real estate broker or salesman licenses, the following examination rules shall prevail:

(a) Examination papers shall be delivered to the examining room under seal and shall be opened by the Examiner in the presence of the examinees.

(b) Examinees will not be permitted to refer to any notes, books or memoranda.

(c) The copying of questions or making of notes for personal use is strictly prohibited.

(d) No examinee shall leave the examining room without first having turned over to the Examiner all examination papers, in which event the examination shall be considered concluded insofar as that examinee is concerned.

6. Examinations — Failure

Any applicant who fails to pass the examination upon the second attempt shall not be eligible for a similar examination until the expiration of six months from time of last examination, unless the commission, upon showing of good cause by the applicant, shall waive this requirement.

7. Examination as a Condition to Restoration of License

In determination rendered upon any disciplinary action, the Commission may, where the nature of the offense so warrants impose as a condition to any future license restoration, the successful accomplishment of a written examination of the same type normally given to applicants for initial licenses.

8. Funds of Others — Commingling

(A) In construing N. J. S. A. 45:15-17(o), the following shall be considered to constitute commingling by a licensee:

1. Mingling the money or other property of his principals with his own.
2. Failure to maintain and deposit promptly in a special account in an authorized financial institution, separate and apart from personal or other business accounts, all moneys received by a real estate broker acting in said capacity, or as escrow agent, or as the temporary custodian of the funds of others, in a real estate transaction.
3. Failure to promptly segregate any properties received which are to be held for the benefit of others.

(B) Where the nature of a given real estate transaction is such that the commissions earned by a broker in connection with services rendered in said transaction are included among the funds deposited to the broker's trust account, the portion of such funds which constitute the broker's commission shall be promptly paid from the trust account, with appropriate annotations to the broker's business records to define the amount and source of such commissions, provided, however, that such broker shall have been previously authorized to make such disbursement.

(C) Within the meaning of this Regulation, the word "promptly" shall be interpreted to mean not more than five business days next following the receipt of the money or property of another.

(D) The maintenance of clearly nominal amounts of the licensee's funds in Trust Accounts solely to provide continuity in such accounts or to meet bank service charges shall not be construed to be commingling.

Where any law or governmental regulation compels maintenance of a fixed amount of the funds of a licensee in a Trust Account for the purpose of providing a safety factor, the maintenance of such fixed amount shall not be construed to be commingling.

9. Funds of Others – Safeguards

(A) No licensee shall accept funds or deposits from a prospective purchaser without ascertaining that there have been established by escrow, or otherwise, adequate precautions to safeguard such funds or deposits where the licensee knows, or conditions are such as to palpably give him reason to know, any facts which would tend to reasonably create a doubt:

1. As to ability of the seller to perform his contractual obligations; or
2. As to the ability of a seller to return such funds or deposits in the event of the failure of a contingency contained in a real estate contract.

(B) The provisions of paragraph (A) shall not apply to a licensee who, before accepting such funds or deposits, has adequately informed the prospective purchaser of any risk entailed and has secured from him a separate signed writing in which the purchaser has acknowledged:

1. His awareness of any risk or contingency.
2. The disposition of his funds or depositions.
3. The absence of any representations by the licensee as to the solvency of the seller and his ability to return such funds.

(C) Funds or deposits placed in escrow pursuant to this Regulation may be held by any person or entity legally authorized to hold funds in that capacity, such as, but not limited to, the real estate broker himself, lawyers or banks.

10. Commissions – Accounting to Salesman

Unless otherwise expressly provided by written agreement between an employing broker and salesman, all commissions due to a salesman from such employing broker shall be subject to accounting and payment to the salesman not later than ten days from the receipt of such commission by the employing broker.

11. Advance Fees – Accounting

Any broker who charges or collects an advance fee in excess of \$25.00 for services to be rendered, such as, but not limited to, advertising costs, under an advance fee agreement, shall, within ninety days after such charge or collection, furnish his principal with an accounting as to the use of such moneys. Such accounting shall set forth the actual amount of each individual expenditure, including date of insertion and name of newspaper or periodical, and similarly detail any other type of promotional expenditure if the funds are spent for other than newspaper or periodical advertising.

12. Permanent Type Records to Be Maintained by Broker

Every broker shall keep permanent type records of all funds and property of others received by him for not less than six years from the date of receipt of any such funds or property. These records shall clearly indicate the date, amount and from whom received, specifying property and reasons for holding moneys, date of deposit of such funds and name of depository bank; also date of disbursement, amounts forwarded, together with the name of the recipient and any other pertinent information concerning the transaction.

13. Inspection of Records

In order to reasonably effectuate the provisions of N.J.S.A. 45:15-1, et seq. and Regulations thereunder, every licensee shall make available for inspection by the Commission or its designated representatives all records of transactions, books of account, instruments, documents and forms utilized or maintained by such licensee in the conduct of the licensed business, which may be pertinent to the conduct of the investigation of any specific complaint.

14. Use of Name or License for the Benefit of Others

No arrangement, direct or indirect, shall be entered into by any licensee whereby an individual licensee lends his name or license for the benefit of another person, firm or corporation, or whereby the provisions of the Real Estate Statute and Regulations relating to licensing are circumvented. Any arrangement whereby a broker's license is sought in the name of the salesman proposed to be in the broker's employ, or is sought in the name of a firm or corporation containing the name of such salesman but not containing the name of the individual licensee responsible for the acts of such firm or corporate licensee as provided for herein at Regulation 4(B)1, shall be construed as seeking to lend a broker's license for the benefit of another person, firm or corporation.

15. Advertising – Rules

(A) Where a real estate broker inserts advertisements in a newspaper or any other publication to make an offer to sell, buy, exchange or rent real property, or any interest therein, such advertisement, after the licensee's regular business name, shall clearly indicate to the reader that the advertisements have been placed by a person engaged in the real estate brokerage business. Examples of permissible language shall include, but are not limited to, "Realtor," "Realtist," "Real Estate Broker," "Broker" or "Agency." This provision shall not apply where the word "Agency" appears in the advertisement as a part of the broker's regular business name or where the broker has legal or equitable ownership of the property.

(B) Any advertisement which refers to amounts or down payment, monthly payment, carrying charges or mortgage obtainable (where the mortgage referred to is not already a lien against the premises advertised) shall contain the words "to a qualified buyer."

Any advertisement which sets forth amounts of down payment, monthly payment, carrying charges, taxes or mortgage obtainable shall contain appropriate qualifying words such as "approximate" or "estimated," which qualifying words shall be clearly associated with the amounts set forth. If such amounts are mentioned without qualifications, the broker shall maintain written proof of the validity of these statements in the broker's files. Such written proof shall be maintained for a period of six months from the date upon which an advertisement containing such unqualified references shall have last appeared in any publication.

(C) Advertisements shall not list home telephone numbers of brokers or licensed employees, unless there is contained in such advertisement a legend limiting the utilization of such home telephone numbers to non-office hours, such as "evenings," "Sundays" or "holidays." Where the name and telephone number of a salesman is contained in an advertisement, it shall be in type smaller and less conspicuous than those of the employing broker, which shall also appear.

(D) Where a real estate broker inserts advertisements in any newspaper or other publication in offering the sale, exchange or rental of real property utilizing a heading designating a named municipality or area and the legend "in the vicinity" or other like words, such mode of advertising shall be construed as misleading in attempting to induce persons to respond to such mode of advertising, unless there shall be contained within the body of the advertisement the specific names of the municipalities relating to any and all properties not located within the limits of the named municipality or, where designation is a named area, then the advertisement respecting every property shall specify the name of the municipality within the limits of which such property be located.

16. Advertising – Prohibited Practices

(A) No real estate broker or salesman shall advertise or represent that he gives "Free Appraisals." This shall not be construed to prohibit a licensee from offering his services, knowledge or advice in the normal course of business.

(B) No free offering of any kind shall be made in any advertisements or promotional material. Nothing herein contained shall be construed as prohibiting the use of such words as "included" or "included in the purchase price."

(C) No real estate broker or salesman shall advertise, or use any form of application or make any inquiry which expresses directly or indirectly, any limitation, specification or discrimination as to a person's race, religion, creed, color, national origin or ancestry.

17. Net Listing

A "Net Listing" is defined as an agency agreement wherein a prospective seller lists real estate for sale with an authorization to a broker to sell at a specified net dollar return to the seller, and which provides that the broker may retain as commission the difference between the specified dollar return to the seller and the actual sales price. No broker shall hereafter enter into a "Net Listing" contract for the sale of real property, or any interest therein.

18. Maintained Offices

(A) Every resident real estate broker shall maintain a bona fide regularly established office for the transaction of business in the State of New Jersey, which shall be open to the public during usual business hours. This regulation does not apply to brokers employed in the capacity of salesmen or holders of reciprocal licenses who, by statute, are not permitted to maintain offices in this State.

(B) If such office be located in a residence, it shall be independent of living quarters and shall have a separate exterior entrance plainly visible from the street upon which the licensed premises shall have frontage. Subsection (B) shall not apply to offices in existence prior to December 1, 1963.

(C) No broker's maintained place or places of business shall be in the dwelling premises of any salesman in that broker's employ.

19. Branch Office, if Maintained, Shall Comply With Provisions of Rule No. 18

In the event a real estate broker maintains a branch office or offices, every such place of business shall comply with the provisions of Rule No. 18. No duplicate license shall be issued for a branch office situated in the dwelling premises of a salesman. Any branch office shall be under the direct supervision of either a licensed broker or a salesman who has been the holder of a license for at least two years immediately preceding and who would, if he so desired, qualify for a broker's

license pursuant to the provisions of Rule No. 3. Such individual shall devote his full time to management of said office during the usual business hours. The name of the individual responsible for the supervision of the Branch Office shall be recorded at all times with the Commission.

When a branch office license is issued to a broker it shall specifically set forth the name of the licensee in charge as "Office Supervisor" and shall be conspicuously displayed at all times in the branch office. The said branch office license shall be returned for cancellation or correction upon the change of an "Office Supervisor."

Nothing herein contained shall be construed to relieve the employing broker from his responsibility as the principal.

20. Payment of Fees as Prescribed by Statute

Any and all fees prescribed by the Real Estate License Act shall be paid by check or money order made payable to the State Treasurer of New Jersey. No cash or currency shall be accepted.

21. Employment of Salesman—Sponsored by Broker

Recognizing the statutory requirement that any licensee shall be of good moral character, the sponsoring broker, before applying for the licensing of any salesman applicant, shall assure himself that such applicant bears a good reputation for honesty and fair dealing. To this end, a competent investigative report is recommended.

22. Broker Insurance Placement Provision

Where a contract provided by a real estate broker contains a provision to the effect that such broker, in his capacity as a licensed insurance agent or broker, is authorized to place or procure insurance on the property being sold, the licensee benefiting by such a provision shall obtain separate written reaffirmation to such provision by the prospective insured not less than five days prior to the closing of title.

23. Prompt Delivery of Instruments and Other Obligations by Licensees to the General Public

(A) A licensee shall immediately, but in no event later than five days from the date of its execution, deliver to all parties to any agreement of sale, lease, option or any other instrument affecting an interest in real property, a duplicate original of any such executed agreement or instrument. This rule shall be liberally construed so as to effectuate its purpose, which is to insure prompt communication of the executed evidence of a transaction to all interested parties.

(B) The licensee shall make diligent effort to ascertain all pertinent information and facts concerning every property for which he accepts an agency, so that in offering the property, he may fulfill his obligations to his client and customer.

(C) In accepting employment as an agent, the licensee pledges himself to protect and promote, as he would his own, the interests of the client he has undertaken to represent; this obligation of absolute fidelity to the client's interest is primary, but does not relieve the licensee from the equally binding obligation of dealing fairly with all parties to the transaction.

(D) No instructions or inducements from any client or customer shall relieve the licensee from his responsibility of dealing fairly and exercising his integrity in his business relations.

(E) The licensee shall transmit every formal or written offer on a specific property to the owner.

(F) It shall be the duty of the licensee to recommend that legal counsel be obtained where the interests of either party to the transaction seem to require it.

(G) Licensees are cautioned that they are subject to strict compliance with the laws of agency and principles of law governing fiduciary relationships.

(H) At the time of the taking of any listing of property, a licensee shall furnish to the owner a copy of a summary of the New Jersey Law Against Discrimination, which summary shall have been prepared and furnished by the Attorney General of the State of New Jersey and which summary shall briefly state the provisions of the Law Against Discrimination and which summary shall state which properties are covered by said law and which properties are exempt from said law. Should the owner then profess an unwillingness to abide by or an intention to violate said law, then the licensee shall not accept such a listing – written, oral or otherwise.

24. Return of License When Licensee Ceases to be Active

In order to facilitate administrative regulation, it is directed that each broker who ceases to be active return to the Commission immediately for cancellation of his license and licenses of all salesmen, and broker-salesmen.

Each employee's license must be accompanied by a letter terminating employment in compliance with R. S. 45:15-14. Broker's failure to do so shall be considered a violation.

25. Promotional Sales of Out of State Property – Requirements

The following Regulations are applicable to promotional sales of out of State property in this State in accordance with the provisions of N. J. S. A. 45:15-16.1.

No person, firm or corporation other than a duly licensed New Jersey real estate broker may apply for an investigation of a property located outside this State as provided in N.J.S.A. 45:15-16.1.

The Commission shall require an applicant to submit certain documents prior to inspection, which shall, together with review of the tract, form the basis for the Commission's judgment whether to permit the offering of these lands or grant a hearing upon request, to determine whether or not the offering of these lands should be denied in the best interests of the general public.

(A) The Commission shall require that a questionnaire shall be completed under oath by the developer and that the documents, statements and data listed below shall be furnished to the Commission prior to review. Furthermore, the licensed New Jersey real estate broker representing and presenting the offering of said developer shall certify that he has reviewed all documents and promotional material proposed to be used in New Jersey; and that he certifies to the accuracy thereof and to the fact that the promotional material reasonably portrays the facts observed at and in the vicinity of the development.

Required documents, statements, and data:

1. Certified Title Policy covering subdivision.
2. If there is a trust deed or mortgage on the land with conditional release clauses, a copy thereof to be furnished.
3. A statement of the method of the handling of all deposit moneys from purchasers until the closing of title.
4. Papers to be used in sale, such as deed, trust deed, contract, lease, option, receipts of deposit, etc.
5. Conditions and restrictions affecting the lots, including mineral rights or reservations of any nature whatsoever.
6. Copies of approved maps or plats showing property to be offered for sale and maps depicting topography and soil.
7. Documentation by any appropriate governmental authority with respect to the availability and potability of water, and with respect to sanitary disposal of human waste.
8. Report of flood hazards and drainage from flood control engineer or other qualified authorities.
9. Copies or proofs of advertising and promotional material which shall cover a detailed description of lands offered, any reservation in connection therewith, the plan under which it is to be sold, and such other factors as the review herein provided for may indicate.
10. Price list covering specific plots to be sold, and terms and conditions under which purchaser is to be induced to agree to buy.
11. A financial statement covering individual, copartnership or corporation holding title, together with bank references.
12. List and addresses of all officers or individual owners of the property being sold. This is construed to mean all parties in interest to said promotional sale, including all others having an indirect interest therein. A certified statement in respect to these individuals shall be furnished and shall set forth in detail any prior arrests or convictions in any jurisdiction, or any license revocation or suspension. If the answer is "None," this fact shall be indicated and similarly certified.

13. A certified copy of any report of review, inspection, approval or release which may be required by the State in which the lands to be promoted are situated.

(B) The Commission designee shall render a report of his findings on a uniform form provided for such purpose.

(C) Where the Commission denies the request for authorization to engage in the sale of a promotional nature in this State of property located outside of this State, the broker may request a hearing before the Commission.

26. Block Busting – Solicitation

(A) No broker or salesman shall affirmatively solicit the sale, lease, or the listing for sale or lease, of residential property on the grounds of alleged change of value due to the presence or prospective entry into the neighborhood of a person or persons of another race, religion or ethnic origin nor shall distribute, or cause to be distributed, material or make statements designed to induce a residential property owner to sell or lease his property due to such change in the neighborhood.

(B) Every real estate broker soliciting the sale, lease, or the listing for sale or lease, of three or more residential properties fronting on either side of any street between intersecting or cross streets or between a cul-de-sac or other like termination point and an intersecting or cross street within the same month, whether directly or through his salesmen, shall maintain a permanent record, for at least one year from the date of said solicitation, which shall be available for inspection by the Commission or any representative thereof upon request, setting forth the name and address of each person so solicited, the address of the property involved, the name of the licensee actually making such solicitation, and the date upon which the solicitation took place. At the request of the Commission or any representative thereof, any such broker shall file with the Commission a copy of the permanent record, or a statement containing the same information as set forth in the permanent record. Such filing shall be made with the Commission no later than ten days following the request therefor.

For the purpose of this rule, "soliciting" includes solicitation by telephone, mail, personal visitation, materials distributed by hand, or any other media.

27. Educational Requirements for Salesmen and Brokers in Making Application for Licensure Examination

A. To establish an applicant's satisfactory completion of the educational requirements prescribed in R. S. 45:15-10.1, all applicants who apply on or after September 1, 1967 for licensure examination for a salesman's or broker's license shall present with their application a Certificate from a school approved by the Commission, evidencing satisfactory completion of a course of education in real estate subjects in accordance with the requirements of said Act and within the meaning of the Rules and Regulations applicable thereto.

B. The course of education in real estate subjects to qualify an applicant for licensure examination for a salesman's license shall consist of a minimum of thirty hours and for a broker's license a minimum of forty-two hours in the areas of study at a school approved by the Commission as meeting the standards of responsible ownership, administration, curriculum, instruction and physical facilities specified hereinafter.

No person shall receive credit for satisfactory completion of the prescribed forty-two hour course, unless that person was the holder of a salesman's license at the time of enrollment in said course.

No credit shall be given to any license applicant for completion of the required forty-two hour broker's course unless that applicant shall have first satisfactorily completed the required thirty-hour salesman's course, an exception to this provision being that an applicant for a broker's license who is or was a duly licensed New Jersey real estate salesman at or before the effective date of these Rules and Regulations, shall not be required to first complete the thirty-hour required salesman's course.

1. By "hour" is meant a period of fifty minutes of actual classroom instruction.

2. The time allotted by any school for examination covering real estate subjects shall not be applicable towards the minimum hours of course study above prescribed.

C. The provisions of this Rule and Regulation shall not apply to the following applicants for licensure examinations:

1. Applicants for licensure examination for either a salesman's or broker's license made by certain disabled veterans pursuant to the provisions of R.S. 45:15-11.

2. Any applicant who has held a real estate broker's license issued by another state within five years of date of application, provided, however, that the Commission shall determine that the experience of such applicant is substantially equivalent to such educational requirements.

3. An applicant producing evidence that applicant was previously the holder of a broker's license in this State, provided, however, that the Commission shall determine that the experience of such applicant is substantially equivalent to such educational requirements.

4. Attorneys at Law admitted to the practice in the State of New Jersey.

5. Evidence that applicant has satisfactorily completed a course of education in real estate subjects prescribed within five years preceding the effective date of this Rule and Regulation. When course of study has been completed more than five years prior thereto, then the Commission may require such person to comply with the educational requirements prescribed, as if he had never taken such a course of studies.

D. Effective September 1, 1967, any applicant for licensure as a broker or salesman shall be required to furnish evidence of satisfactory completion of the course of studies in an approved school, which course of studies shall embrace the following areas of study. However, nothing herein provided shall prohibit a school within the meaning of R. S. 45:15-10.1 from seeking approval and, when approved, from conducting the approved and prescribed courses prior to September 1, 1967.

Salesman's Course — 30 hours

I. Property interests and rights (8 hours)

A. Estates

1. Estates of Freehold
 - a. Fee Simple, Dower and Curtesy (Life Estates), and Equitable
2. Estates of less than Freehold
 - a. Estate for years, Estate at Will and Estate at Sufferance.
3. Joint Estates
 - a. Estate by the Entirety, Tenancy in Common and Joint Tenancy.

B. Transfer of Title.

1. Conveyance by purchase or gift.
 - a. Kinds of deeds.
 1. Warranty Deed, Bargain and Sale Deed, Bargain and Sale (Covenant vs. Grantor) and Quit Claim Deed.
 2. Descent, including Will.
 - a. Executor's deed.
 3. Foreclosure
 - a. Sheriff's deed.
 4. Tax Sales
 - a. Tax Certificate, Right of Redemption and In Rem proceedings.
 5. Adverse possession.
 6. Eminent Domain or Escheat.

C. Liens

1. Liens as to title.
 - a. Mortgage, mechanic's lien, assessments (general and special), taxes, attachments, lis pendens and judgments.
2. Liens as to physical condition or use.
 - a. Easements, zoning restrictions, including non-conforming uses, encroachments, restrictive covenants, party walls, riparian rights, crops, trees, shrubs and fruits of labor.

D. Contracts for the Sale of Property.

1. Binder receipts (Earnest Money) and form
 - a. Pitfalls in taking promissory note or not immediately depositing money in escrow with broker, unless otherwise provided.
2. Offer and Acceptance (Agreement of Sale and Form)
 - a. Necessity of reducing to writing in accordance with Statute of Frauds.
 - b. Pitfalls in not explaining to purchaser that when offer is accepted by Seller, offer becomes firm and binding contract.
 - c. Evils of an ambiguous contract or failure to recommend review by an attorney.
 - d. Pitfalls in failing to read and explain terms of contract to all interested parties.
 - e. Evils in making alterations or additions to terms of contract without consent of parties evidenced by initials.

- f. Rights of Sellers and Purchasers prior to acceptance or meeting of the mind.
- 3. Requisites of a Contract.
 - a. Competent parties
 - b. Purchase price
 - c. Deposit-escrowing or disbursement as provided.
 - d. Description of property
 - 1. Metes and Bounds (survey), monuments, recorded map, address, deed book and page and lot and block on assessment (tax) map.
 - e. Commission – rate or fixed amount
 - f. Contingencies
 - 1. Subject to financing
 - (a) Assumption of mortgage – name of lending institution, balance, terms and conditions.
 - (b) Procurement of mortgage – amount of commitment, date of procurement, kind of mortgage and rate of interest.
 - 2. Zoning, Tenement House compliance, assessments and procurement of a variance or building permit.
 - g. Conditions
 - 1. Easements and restrictive covenants
 - 2. Possession
 - (a) Pitfalls encountered by permitting occupancy of Purchaser prior to closing of title.
 - 3. Subject to rights of tenants
 - 4. Closing date.
 - h. Kind of deed specified in contract
 - 1. Pitfalls in not ascertaining type of deed to be given by Seller, in that improper deed could result in an unmarketable title.
 - i. Personal property fixture clause
 - j. Execution of contract
 - 1. All interested parties must sign. Husband and wife to release right of curtesy and dower.
 - 2. Corporations – signatures of proper officers and resolution of corporation to buy or sell.
- 4. Assignment of contracts – procedure and form
- 5. Enforcement of contracts
 - a. Sunday contracts, contracts by minors or incompetents, fraudulent contracts (evils of double contracts with false purchase price constituting a fraud upon mortgage company to show greater value and larger down payment).
 - b. Non-performance of contracts
 - 1. Specific performance, breach of contract and time of the essence (risks and liabilities).

II. Mortgages (4 hours)

- A. Definition of a mortgage, mortgagor and mortgagee.
- B. Kinds of Mortgages and forms
 - 1. Conventional

2. G.I. or V.A.
 - a. Certificate of Eligibility
 - b. Certificate of Reasonable Value
 1. Purpose
 2. Limitations on purchase price
 - c. Service charges and prepayment rights.
3. F.H.A.
 - a. Appraisal, amendatory clause, firm or conditional commitment, insurance, service charges and prepayment rights.
- C. Modes of mortgage payment.
 1. Straight mortgage, amortizing mortgage and construction mortgage.
- D. Assumed Mortgages
 1. Liability of original mortgagor
 2. Procedure to release original mortgagor
 3. Penalty, if any, or pitfalls in not ascertaining whether or not mortgage is a closed mortgage or requires consent of mortgagee to assume.
- E. Terms of mortgages.
- F. Extension or assignment of mortgages and forms
- G. Priority of mortgages.
 1. First and second mortgages
 2. Subordination or postponement of mortgages
 3. Recording notice to the world
- H. Discharge of mortgages
- I. Default in mortgage payments or terms
 1. Mortgagee in possession, foreclosure and equity of redemption.
- J. Sources of mortgage funds
 1. National and State Banks, Savings and Loan Associations, Mutual Savings Banks, Pension Funds, Insurance Companies and private sources.
- K. Bonds and Notes.
 1. Purpose, penal sum and collateral bonds..

III. Leases (2 Hours)

- A. Definition of Lessor-Lessee
- B. Requirements and form
 1. Date
 2. Parties
 3. Premises
 4. Use of Premises
 5. Term
 6. Rental
 7. Right to assign or sublet – with or without consent of landlord and responsibilities of parties.
 8. Alterations and improvements
 9. Utilities
 10. Insurance
 11. Termination or renewal
 12. Security deposit
 13. Execution
- C. Forfeiture or eviction
- D. Statute of Frauds – leases for 3 or more years to be in writing.

IV. Business Opportunity Sales (2 Hours)

- A. Definition
- B. Transfer by Bill of Sale and form
- C. Financing by Chattel Mortgage and form
- D. Fixtures and stock
 - 1. Fixtures tangible or intangible – principles.
- E. Liens and conditional sales
- F. Good will and trial periods

V. Municipal and State Laws and Regulations (2 Hours)

- A. The Law Against Discrimination, R.S. 18:25-1, et seq.
- B. Building, electrical and health codes.
- C. Tenement Houses – requirements for compliance.
- D. Planning.
 - 1. Master Plan, Planning Law Requirements.
- E. Zoning
 - 1. Ordinances, variances, Board of Adjustment, etc.
- F. Taxation
 - 1. Assessed valuations, tax rates, appeals, etc.
- G. Certificate of Occupancy.

VI. Law of Agency (7 Hours)

- A. Definition of agent, principal, agency, client and customer.
 - 1. Legal and other responsibilities of broker and salesman to the public and to each other.
- B. Listing Agreements
 - 1. Oral listing – definition, termination and risks as to commission.
 - a. Statute of Frauds – notice by registered mail and requirements.
 - 2. Open Listing – definition and termination.
 - 3. Exclusive Agency and Sole and Exclusive Right – definitions
 - a. Pitfalls in not having definite termination date or failure to furnish copy to Seller.
 - 4. Net Listing – definition and prohibition by Rule 17.
 - 5. Multiple listing – definition.
- C. Contents of Listing Agreements
 - 1. Date, sales price, consideration, property, commission, all other pertinent information, such as financing, personal property, possession date, tenancies, etc., and signature of sellers or authorized agent. In Exclusive listings, there must be included a definite termination date and acknowledgement of copy by Seller.
- D. Obligations of an agent.
 - 1. Disclosure of principal to a third party.
 - 2. Qualifying of purchaser.
 - 3. Submit every formal or written offer forthwith.
 - 4. Recommend counsel whenever necessary.
 - 5. Furnish duplicate copies of all executed documents within five days to all interested parties.
 - 6. Deliver memorandum of Summary of the New Jersey Law against Discrimination at time of taking any listing for sale or rental of property.

7. Make full disclosure of any and all pertinent facts.
 8. No instructions or inducements from any client, customer or any person shall relieve licensee from responsibility of dealing fairly with all parties.
 9. Licensee should reveal any and all conflicts of interest.
- E. Pitfalls of omission or representations.
1. Condition of a building
 2. Conditions of a sewer, oil burner or other utilities.
 3. Taxes or assessments
 4. Use of property
 5. Termites
 6. Actual dimensions of lot or visual pointing out monuments or buildings, trees, etc., being within property lines.
 7. Having any document executed in blank.
 8. Affirmatively soliciting the sale, lease or listing of residential property on grounds of alleged change of value due to the presence or prospective entry into the neighborhood of a person of another race, religion or ethnic origin.
 9. Turning over keys to a purchaser prior to closing of title or permitting him to take possession without written agreement of Seller as reviewed by an attorney.
- F. Definition of a salesman
1. Pitfalls in not working under supervision of sponsoring broker or operating from residence.
- G. Broker-Salesman relationship.
1. Employment contract – written or oral
 - a. Terms, conditions and commissions
 - b. Restrictive covenant – review by an attorney
 - c. Commission disputes between broker and salesman are of a contractual nature for a Court of Law to determine.
 2. Termination of employment.
 - a. Letter of termination
 - b. License Certificate to be immediately returned to Commission.
 - c. Not to engage in real estate activities until transfer form executed and license with new employing broker issued.
- H. Salesmen should be familiar with arithmetic problems.
- I. Recommendations to be made to Sellers and Purchasers relative to closing of title.
1. Sellers should have in their possession the following:
 - a. Deed and Affidavit of Title, together with Documentary Stamps.
 - b. Tax Bill, Water Bill, Fuel Bill, Insurance Policy and Keys.
 2. Purchasers should have in their possession the following:
 - a. Statement from lending institution as to balance of present mortgage lien to be assumed or paid.
 - b. Cash or acceptable funds to pay balance of pur-

chase price, attorney's fees, closing costs and recording fees.

VII. License Act and Rules and Regulations (5 Hours)

A. License Act

R.S. 45:15-1, R.S. 45:15-2, R.S. 45:15-3, R.S. 45:15-4, R.S. 45:15-9, R.S. 45:15-10, R.S. 45:15-11, R.S. 45:15-11.2, R.S. 45:15-12, R.S. 45:15-12.1, R.S. 45:15-14, R.S. 45:15-16, R.S. 45:15-16.1, R.S. 45:15-18, R.S. 45:15-19, R.S. 45:15-19.1, R.S. 45:15-19.2, R.S. 45:15-23 and R.S. 45:15-24.

All applicants are to know the ground for suspension or revocation of licenses as contained under the provisions of R.S. 45:15-17.

B. Rules and Regulations.

Rule 3, 5, 6, 7, 8, 9, 10, 11, 14, 15(c), 16(a)(b) and (c), 17, 18(c), 19, 23, 26, 27 and 28.

Broker's Course (42 Hours)

I. Review of Property Interests and Rights, Mortgages, Leases, Business Opportunity Sales, Municipal and State Regulations and Law of Agency developed in the salesman's course. (8 Hours)

II. Familiarization with Terminology in common use, including: (2 Hours)

A. Legal terms.

B. Architectural descriptions and terms.

C. Areas of Plane Surfaces and Units of Measuring.

D. Building structural elements and components.

E. Industrial Terminology.

III. Mortgage Brokerage (4 Hours)

A. Purpose and services rendered

B. Mortgage market – primary and secondary

C. Inspection of property

D. Mortgage Loan processing and forms, costs, sources of Funds and Discounts.

E. Servicing of loans – procedures.

F. Other kinds of Mortgages

1. Package Mortgage, Blanket Mortgage, Open End and Closed Mortgages, and Releases from the lien of a mortgage.

IV. Real Estate Investments (1 Hour)

A. Modes of Investments

1. Basis for cost and yield

2. Surveys and purposes

3. Investment properties

a. Vacant land, apartment houses, shopping centers, motels, gasoline stations, bowling alleys, etc.

V. Zoning (1 Hour)

A. Zoning, changes, variances and appeals.

VI. Subdivision and Development (3 Hours)

- A. Definition of subdivision of lands**
 - 1. Local, County and State Law Governing, especially Planning Board
 - 2. Filing of Plat or detailed Maps
 - a. Preliminary and final map
 - 3. Improvements and public allocations
- B. Definition of Developing**
 - 1. Planning
 - 2. Building construction and cost estimate
 - 3. Improvements
 - 4. Financing
- C. Definition of a Condominium**
 - 1. Master Deed and title rights of Purchasers
 - 2. Financing
 - 3. Club plans and recreational areas
 - 4. Responsibilities as to repairs, services and decorating
- D. Definition of Cooperative and Syndicate Ownership**
 - 1. Ownership rights of Purchasers
 - 2. Responsibilities as to repairs, services and decorating
 - 3. Club plans and recreational areas

VII. Tax Appeals (1 Hour)

- A. Local, County and State**
- B. Procedure followed and forms**
- C. Hearings**
- D. Basic Grounds**
 - 1. Inequality, overvaluation and illegality

VIII. Appraisals and Evaluations (5 Hours)

- A. Elements of a certified Appraisal compared with typical sales estimate**
- B. Basic factors in conducting and making an appraisal**
- C. Methods of appraisals**
 - 1. Comparison technique
 - 2. Capitalization technique
 - 3. Reproduction cost technique
- D. Appraisal Terminology**
- E. Definition of "Market Value"**
- F. Kinds of depreciation**
 - 1. Effective age of building
 - 2. Straight line or sinking fund
 - 3. Environment (obsolescence)
 - 4. Depreciation survey
 - 5. Salvage
- G. Eminent Domain**
 - 1. Theory and right of State to take lands
 - 2. Condemnation proceedings and appeal

IX. Urban Renewal (1 Hour)

- A. Purpose**
- B. Effect on City and suburban environment**
- C. Financing**

1. Federal Funds
 2. Private Funds
- D. What is the difference between renewal and rehabilitation?

X. Management (3 Hours)

A. Kinds of Property

1. Residential

- a. One family, multifamily, institutional, mutual and cooperative

2. Commercial and Investment Properties

3. Industrial Properties

- a. Plants and loft properties

B. Duties of an agent

C. Types of Leases

D. Commission agreements as to management or renewal of leases.

XI. Tax implications of real estate transactions (1 Hour)

XII. Closing Settlement Problems (1 Hour)

XIII. Civil Rights Law, License Law and Rules and Regulations (12 Hours)

A. The Law Against Discrimination

R.S. 18:25-1, et seq.

B. License Law

R.S. 45:15-1, R.S. 45:15-2, R.S. 45:15-3, R.S. 45:15-4, R.S. 19-9, R.S. 45:15-10, R.S. 45:15-11, R.S. 45:15-11.1, R.S. 45:15-12, R.S. 45:15-12.1, R.S. 45:15-13, R.S. 45:15-14, R.S. 45:15-15, R.S. 45:15-16, R.S. 45:15-16.1, R.S. 45:15-18, R.S. 45:15-19, R.S. 45:15-19.1, R.S. 45:15-19.2, R.S. 45:15-23 and R.S. 45:15-24.

C. Rules and Regulations

Rule 2, 3, 4(A) and (B), 5, 6, 7, 8(A)(B)(C) and (D), 9(A)(B) and (C), 10, 11, 12, 13, 14, 15(A)(B)(C), 16(A)(B)(C), 17, 18(A)(B)(C), 19, 21, 22, 23(A)(B)(C)(D)(E)(F)(G)(H), 24, 25, 26, 27 and 28.

28. Approved Schools – Requirements

The following regulations are applicable to schools seeking approval to conduct a course of education in real estate subjects as prescribed under R. S. 45:15-10.1 (A) and (B) and Rule 27 of the Rules and Regulations.

The Commission shall require any school in making application to submit certain documents, statements and forms prior to approval, which shall form the basis for the Commission's judgment whether to approve or grant a hearing upon request when approval would be denied to conduct a school in the best interests of the general public. Application for approval to conduct a school in real estate courses is to be made on Form "A" as prescribed by the Commission.

A. Moral character of sponsors.

Colleges and Universities approved as such by the State Department of Education shall be presumed to be of good moral character and responsible sponsors of a course of education in real estate subjects.

All other sponsors of a proposed or existing school, and in the case of a corporation, firm or limited partnership, each member or each stockholder, officer or director of a corporation, who would have an interest or be connected with the program of education to conduct real estate courses, shall be at least twenty-one years of age with a background of good moral character, including the absence of any conviction for the certain crimes, or other like offense or offenses, specified under the provisions of R. S. 45:15-12.1. Each sponsor, member, stockholder, officer or director embraced in this paragraph shall complete Form "D" and shall furnish letters of reference from responsible persons with information relating to such person's integrity, character and responsibility.

B. Financial Responsibility in fulfilling its commitments.

Applications for school approval, except from accredited Colleges and Universities, shall be accompanied by a surety bond (Form "F" suggested) as issued by an insurance company authorized to do business in this State, conditioned for the protection of the contractual rights of those real estate students attending such school in an amount computed in accordance with the following formula:

- | | |
|---|---------------------|
| 1. First year – number of
real estate students
anticipated. | Amount of |
| TIMES | |
| 2. Subsequent years –
number of real estate
students enrolled in
previous year | Semester
Tuition |

But in no event shall the amount of such bond be less than for \$5,000.00.

If such school is the owner of the premises to be utilized, then it shall furnish to the Commission an affidavit setting forth the names of the true owners, book and page and County where deed is recorded. Where premises are leased, then such school shall furnish a copy of the lease and a receipted statement executed by the owner or lessor that all rent has been paid for the term of course of instruction for which it seeks approval.

C. Trade Names or otherwise.

Where a school is to be conducted in the name of a corporation, then a certified copy of said Certificate of Incorporation shall accompany the application. Where a school is to be conducted under a trade name, whether sole proprietorship, firm, partnership or limited partnership, then a true copy of the Certificate of Trade Name or Articles of the Limited

Partnership as filed in the office of the County Clerk, shall accompany the application. A school shall not apply to itself, either as part of its name or in any manner, the designation of "College" or "University," unless it, in fact, meets the standards and qualifications and has been approved by the State Agency having jurisdiction.

D. Administration

1. Each application for school approval shall designate an individual as Director of the School, who shall be in responsible charge of all its operations and the specific course of education to be conducted.

2. Such Director shall file with the Commission Form "C", and also letters from previous employers showing previous experience in Educational Administration or Supervision or other activities related to education and possessing experience in these fields of at least three years.

3. In the case of a College or University, the head of the Real Estate Department shall be conclusively presumed to meet the foregoing requirements. This presumption shall also apply to the Director of any existing school, who has acted in said capacity for the past three years and written evidence thereof filed with the Commission.

E. Teaching Load

The maximum teaching load per teacher or instructor shall not exceed the ratio of one teacher or instructor to sixty students per class. Each course of instruction herein provided shall be under the supervision of an instructor qualified as provided for herein who shall be present in the classroom at all sessions. Additional instructors possessing the qualifications elsewhere herein required may be utilized for instruction with respect to given subjects provided that not more than twenty-five percent (25%) of the prescribed respective instruction is done by persons other than the instructor in whom overall responsibility is vested. This limitation shall not apply where courses in real estate subjects cover two hundred (200) classroom hours or more.

F. Qualifications of teachers or instructors

Each staff member shall possess the following qualifications:

1. In the case of a College or University, a qualified instructor or professor in subjects dealing with or related to real estate and such other required subjects as are to be taught.

2. An Attorney at Law with a minimum of five years of active practice in the areas of study he proposes to teach.

3. A person holding a degree evidencing having majored in real estate from an accredited College or University.

4. A person holding a degree from an accredited college with at least two years of teaching experience and possessing a minimum of 200 classroom hours in the areas of study he proposes to teach.

5. A real estate broker licensed in the State of New Jersey with a minimum of five years of experience in the areas of study he proposes to teach.

The above requirements shall not apply to any guest speaker as heretofore provided. Individuals coming within Sections 1 to 5 shall file Form "E", together with evidence of past experience in the areas of study proposed to be taught.

G. School Facilities.

Every school, except any correspondence schools approved by the Commission, shall have and maintain facilities meeting the following standards:

1. The premises, equipment and facilities of the school shall comply with all local, city, county and State Regulations, such as fire codes, building and sanitation codes. A Certificate from proper authority covering these requirements shall accompany application for school approval.

2. A certificate applicable to fire safety based upon the maximum number of students which may be accommodated shall be procured from the proper authority and accompany application for school purposes.

3. There shall be adequate space, seating, equipment and instructional material. Facilities are subject to inspection by one or more representatives of the Commission prior to approval or subsequent thereto during regular school hours.

H. Tuition

All tuition charged by a school shall be specified separately. If additional fees are to be charged for supplies, materials or books needed in course of work, they shall be itemized by the school and such items shall become the property of the student upon payment.

The tuition and fees shall be specifically set forth in a student contract (Form "G" suggested). The contract shall expressly state the school's policy regarding the return of unearned tuition when a student is dismissed or withdraws voluntarily or through hardship.

I. Correspondence Courses

Correspondence courses meeting the requirements as to subjects, and times allocated to those subjects, prescribed in Rule 27 may be taken by any person who by reason of hardship cannot attend a school for classroom instruction, but any school offering such courses must, to the extent applicable, meet all other standards prescribed by these regulations.

A "hardship case" is hereby defined as describing any individual:

1. Who does not have either a home or business address within a radius of thirty miles of an approved school with classroom instruction or who cannot attend a school by reason of permanent disability.
2. Who does reside or has a business address within a radius of thirty miles of an approved school, but such school is not conducting the particular course of curriculum required by that person.
3. Any person desiring to complete the required educational course by means of a correspondence school shall make a request in writing to the Commission, setting forth the basis for the alleged hardship. The Commission may, in appropriate cases, require such request to be supported by sworn statements of doctors or other persons having knowledge of the facts.

J. Records of students

1. Each school shall permanently establish and maintain for each student, a complete, accurate and detailed record, which shall include: the total number of hours of instruction undertaken; completed areas of study in real estate subjects prescribed by these regulations and student attendance.

2. Each school shall furnish to the Commission at this time the school policy and regulations relative to the required standards for the issuance of a Certificate of satisfactory completion, conditions for dismissal of a student and conditions for reinstatement of those students dismissed for unsatisfactory completion. School regulations and policy to the contrary, failure of a student to attend a minimum of 80% of the required hours of study during term of enrollment shall conclusively be construed as having unsatisfactorily completed course of study.

3. Upon the satisfactory completion of the course of education, the school shall issue to each student a Certificate.

4. Such records shall be kept current and available for their inspection during regular school hours by one or more representatives of the Commission.

K. Transfer of students

No school shall, without the approval of the Commission, accept for enrollment as a transfer student any person concurrently enrolled with any other approved school, unless upon the showing of good cause by said student to the Commission in writing.

L. Advertising

1. No school shall provide any information to the public or to prospective students which is misleading in nature. Information is "misleading" when there is a distinct possibility that it will deceive the class of persons whom it is intended to

influence. No school shall make any warranties or guarantees that a student will pass the state license examination by taking its course. The Commission may require for review all copies or proofs of advertising, brochures and promotional materials covering course or courses of real estate subjects.

2. No school shall use any name other than its approved name, as indicated upon the application, for advertising or publicity purposes; nor shall any school advertise or imply that it is "recommended," "endorsed" or "accredited" by the Commission, but such school may indicate that it has been "approved" to conduct courses of education in real estate subjects to qualify applicants for licensure examination.

M. Approval of schools

When the Commission has approved a school based upon its application and submissions, then a letter of approval is executed by the Commissioner-President of the Commission as attested by the Secretary-Director. Approval is directed to the specific ownership, constituency, specific school location, specific curriculum and term of course.

Any changes in the specific particulars at any time must be immediately submitted to the Commission for its approval.

N. Renewal applications for approval

Initial approvals (that is, the first approval subsequent to the effective date of these regulations) shall expire on December 1, 1968, and subsequent renewals shall expire on December 1 annually thereafter. Renewal application is to be made on Form "H" prescribed by the Commission.

O. Denial or withdrawal of approval

Where the Commission denies or deems it proper to withdraw its approval to any particular school upon notification in writing with reasons for such action, the school may request a hearing before the Commission.

29. Fingerprinting

The applicant, if a natural person, shall in connection with his or her original application for a salesman, broker-salesman or broker's license, have his or her impressions taken by a recognized law enforcement agency on a State Police fingerprint card (non-criminal) within three months from the effective date of the issuance of the license so applied for.

The applicant, if a corporation or partnership (general or limited) shall in connection with its original application for a broker's license, have impressions taken by a recognized law enforcement agency on a State Police fingerprint card (non-criminal) for each officer, director or controlling person, active or inactive, within three months from the effective date of the issuance of the license so applied for.

All present holders of licenses, whether a natural person, corporation or partnership, as of June 30, 1970, shall submit a State Police fingerprint card (non-criminal) within three months from the effective date of the issuance of such

renewal license for the ensuing year. Where the renewal is being made upon behalf of a corporation or partnership (general or limited), then the impressions must be taken for each officer, director or controlling person, active or inactive.

Holders of multiple licenses shall be required to file only one State Police fingerprint card.

This regulation shall apply to all applicants who are applying as residents or non-residents and shall be effective as of June 30, 1970.

30. Sponsoring of Applications or Transfers or License

The New Jersey Real Estate Commission, Department of Insurance, hereby grants to a corporation or a copartnership the right to have applications or transfers of licenses for salesmen or broker-salesmen sponsored by one other person, other than the authorized broker of record, provided such person is the holder of a broker's license and is an officer of the corporation or a member of the copartnership, as the case may be; and further provided that a Power of Attorney is filed with the New Jersey Real Estate Commission granting this authority to said person.

31. Expediting of License Procedure

For the purpose of expediting the right of licensees to engage in real estate activities, where license certificates cannot be issued without delay after all conditions have been fulfilled, the Commission directs that the following letter be forwarded to these licensees:

Date _____
Employing Broker _____
Address _____
Broker's Reference No. _____
Salesman's Reference No. _____

This will acknowledge receipt of your fee in the amount of (\$15.00) (\$30.00) in payment of a (salesman's) (broker-salesman's) (broker's) license.

Your license certificate, bearing the above date, will be issued within the next few days. In the interim, this letter will serve as your authority to engage in the real estate activities defined under the provisions of R.S. 45:15-3 of the New Jersey License Act within the limitations of the license to be issued. Further, this letter is to be prominently displayed at your (broker's) maintained place of business, pursuant to the provisions of R.S. 45:15-12 as evidence of licensure, until receipt of the aforementioned license certificate.

The authority granted herein shall be null and void ten (10) days from the receipt hereof.