New License Requirements Effective July 1

LB384 (2019) created a number of new education requirements for resident real estate license applicants and licensees. The new requirements go into effect on July 1, 2020, and are summarized below.

All Resident Real Estate License Applicants—Additional Education

All licensees receiving a Nebraska broker’s or salesperson’s license on or after July 1, 2020, must complete a 6 hour Commission approved class in professional standards and practices prior to being licensed. The 6 hour course is in addition to the 60 pre-license classroom hours currently required for a sales license and the 120 classroom hours required for a broker’s license.

Applicants who receive a Nebraska salesperson’s or broker’s license after on or after July 1, 2020, will be required to take a 12 hour course related to knowledge and skills used in real estate practice within 180 days of being licensed. Failure to complete the course within the 180 day deadline will result on the licensee being put on inactive status until the coursework is completed.

The new courses are designed to prepare and assist new licensees in areas of accountability and fiduciary duty, as well as the practical aspects of working as a real estate agent.

Broker Requirement Changes

Effective July 1, 2020, the ability for a resident applicant to automatically qualify to become a broker through additional education in lieu of experience is no longer available. Under prior law, an applicant could meet the broker education requirements through either 120 classroom hours of real estate education and two years full time experience as a salesperson, or through 180 classroom hours of education. Under the new law the 180 classroom hours in lieu of experience will only be granted in limited circumstances as described below.

“Upon special application and hearing before the commission, (the applicant must) provide satisfactory evidence of (i) equivalent or sufficiently relevant experience in a real-estate-related industry or (ii) hardship due to an existing brokerage being unable to retain the services of a licensee to act as its designated broker who has the two years' experience required in this subsection. Any applicant so approved must furnish a certificate that he or she has passed a course of at least eighteen credit hours in subjects related to real estate at an accredited university or college, or completed six courses in real estate subjects composed of not less than one hundred eighty class hours in a course of study approved by the commission or, in lieu thereof, courses delivered in a distance education format approved by the commission.”

Neb. Rev. Stat. 81-885.13 (3)(b)

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Covid-19 Updates

There is about a 3-4 week lag between when this newsletter gets written and when it gets mailed out. The lag makes it very difficult to provide specific information on the topic of the day, the Covid-19 Virus. However, I would like to touch base on a number of issues.

Exam Administration/License Law Changes

License exam testing centers were closed for much of March, all of April, and part of May. Seats were initially limited after opening back up. We have worked with the examination company, PSI, to make exam slots more widely available. We recommend using PSI’s online registration system once you are approved by the Real Estate Commission to take the exam. Please note page 1 article on changes to licensing requirements beginning on July 1, 2020. Applicants must pass their license examination and have their license issued before July 1 or they will be subject to the additional requirements before qualifying for their license.

Laws Governing Contracts

The laws governing real estate contracts, including listing and purchase contracts have not been changed due to the pandemic. While the Commission urges all parties to be flexible and cognizant of Covid-19 concerns and difficulties in conducting business and maintaining social distancing, the general advice we always give on contracts remains. Try to work out any needed changes or modifications to a contract in writing through mutual agreement of the parties. If a party is considering walking away from a contract, or not fulfilling any of their obligations under the contract, they should talk to an attorney first.

Online Notary Public Act

Governor Ricketts has changed the operative date of the Online Notary Public Act from July 1, 2020, to April 2, 2020, by https://tinyurl.com/OnlineNotary. The new law allows notarial acts to be performed remotely by notaries after proper registration with the Secretary of State. Registration information can be found here https://sos.nebraska.gov/business-services/notary-public. The executive order was issued to promote compliance with social distancing recommendations by allowing the use of remote notary services in real estate and other legal transactions, including the notarization of deeds.

Greg Lemon, Director
Nebraska Real Estate Commission
Disciplinary Actions Taken by the Real Estate Commission
(Does Not Include Cases on Appeal)

2019-001 - Commission vs. Ryan Basye; Salesperson; Omaha, NE. Stipulation and Consent Order entered November 21, 2019. License suspended for a period of thirty (30) days and serve one (1) year probation. Suspension begins December 7, 2019, and continues through January 5, 2020. Probation will begin on January 6, 2020 and continue through January 6, 2021; plus take an additional six (6) hours of continuing education in the area of Ethics due May 21, 2020; plus pay a Civil Fine of $1,000.00 by December 21, 2019. [Basye violated Neb. Rev. Stat. § 81-885.24(8)]

Accepting any form of compensation or consideration by an associate broker or salesperson from anyone other than his or her employing broker without the consent of his or her employing broker, when Mr. Basye deposited a commission check in his account or the account of Basye Real Estate Concepts instead of the account of his designated broker; violated Neb. Rev. Stat. § 81-885.24(20) Failing to deliver within a reasonable time a completed and dated copy of any purchase agreement or offer to buy or sell real estate to the purchaser and to the seller, by failing to deliver a completed copy of the contract Assignment or Addendum to the Seller within a reasonable time; violated Neb. Rev. Stat. § 81-885.24(29) Demonstrating negligence, incompetency, or unworthiness to act as a broker, associate broker, or salesperson, whether of the same or of a different character as otherwise specified in this section by (a) accepting and depositing the Commission Check in a personal account without the consent of his employing broker; (b) did not within a reasonable time, provide Seller with a completed and dated copy of the Assignment; (c) did not within a reasonable time, provide Seller with a completed and dated copy of the Addendum; (d) for Seller not receipting for a copy of a fully executed purchase agreement; (e) for not discussing with or providing to Seller an "Acknowledgement of Disclosure" form; violated Neb. Rev. Stat. § 76-2421(4)(a) Before engaging in any of the activities enumerated in subdivision (2) of section 81-885.01, a licensee working as an agent or subagent of the buyer or tenant with a seller or landlord who is not represented by a licensee shall provide a written disclosure to the customer which contains the following: (a) A statement that the licensee is an agent for the buyer or tenant and is not an agent for the customer, by failing to provide a written agency disclosure; violated 299 NAC 5-003.07 Failure of a licensee to comply with the requirements set forth in Neb. Rev. Stat. Sections 76-2401 - 76-2430; (a) by accepting and

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Trust Account Changes

Proposed

Waiver

With the passage of LB16 in 2017 the Nebraska Legislature authorized the Real Estate Commission to allow a waiver provision for the requirement that all designated brokers open and maintain a broker trust account. Upon review of current practices in the industry and surrounding states, the Commission introduced regulations that would allow designated brokers to apply for a trust account waiver. The waiver will be allowed for brokers who have limited real estate activity and do not use or anticipate using a trust account. Sales transactions a broker who has been granted a waiver enters into should always call for earnest deposits to specifically bypass the trust account and go directly to the closing company.

Other Changes

In 2016 the Nebraska Legislature passed LB867. LB867 requires that when agencies create substantive standards that Nebraskans are required to follow, those standards must be adopted by rule and regulation. The Nebraska Real Estate Trust Account Manual has many standards which Nebraska real estate licensees are required to follow, and so it was revised and incorporated into the Commission’s regulations on trust accounts in Title 299 of the Nebraska Administrative Code.

The other changes to manual primarily relate to the conduct of what were formerly known as trust account examinations, but were always in fact compliance audits. The exams will continue to be procedures where trust account records and transaction files are examined to ensure that the proper documents are being used and retained, and the proper procedures being followed in the examinee’s real estate practice. Brokers granted the trust account waiver will continue to have regularly conducted compliance audits. Since those brokers who will be eligible for a waiver likely had no trust account activity (other than perhaps bank service fees) in the past, the examinations, in practice, will not change much.

Final Adoption

The regulatory changes are subject to final approval by the Governor and go into effect five days after filing with the Secretary of State. We will update on the website when we have further information.

February 19, 2020; plus pay a Civil Fine of $2,500.00 by December 21, 2019. [Cohn violated 299 NAC 2-003.07c Advertising featuring the name of an affiliated associate broker or salesperson shall prominently display the name which the broker supervising the affiliated salesperson or associate broker conducts business under as recorded with the Commission adjacent to affiliated licensee’s name and similar or greater in size and visibility than the affiliated licensee’s name, when he used social media and YouTube to advertise property or services offered; violated Neb. Rev. Stat. § 81-885.24(26) Violating any rule or regulation adopted and promulgated by the commission in the interest of the public and consistent with the Nebraska Real Estate License Act; when he violated 299 NAC 2-003.07c; violated Neb. Rev. Stat. § 81-885.24(29) Demonstrating negligence, incompetency, or unworthiness to act as a broker, associate broker, or

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salesperson, whether of the same or of a different character as otherwise specified in this section; when he failed to include or prominently display the brokerage name in all advertising.]

**2019-010 - Commission vs. Jeffrey Marc Cohn;** Salesperson; Elkhorn, NE. Stipulation and Consent Order entered November 21, 2019. License suspended for a period of two (2) years with the entire period stayed and served on probation. Probation will begin on December 21, 2019, and continue through December 21, 2021; plus take an additional nine (9) hours of continuing education with three (3) hours each in the area of Agency, Ethics and License Law due February 19, 2020; plus pay a Civil Fine of $2,500.00 by December 21, 2019. [Cohn violated 299 NAC 2-003.07c Advertising featuring the name of an affiliated associate broker or salesperson shall prominently display the name which the broker supervising the affiliated salesperson or associate broker conducts business under as recorded with the Commission adjacent to affiliated licensee’s name and similar or greater in size and visibility than the affiliated licensee’s name, when he used social media and YouTube to advertise property or services offered; violated Neb. Rev. Stat. § 81-885.24(26) Violating any rule or regulation adopted and promulgated by the commission in the interest of the public and consistent with the Nebraska Real Estate License Act; when he violated 299 NAC 2-003.07c; violated Neb. Rev. Stat. § 81-885.24(29) Demonstrating negligence, incompetency, or unworthiness to act as a broker, associate broker, or salesperson, whether of the same or of a different character as otherwise specified in this section; when he failed to include or prominently display the brokerage name in all advertising.]

**2018-032 – Commission vs. Michael Howard Salkin Broker;** Omaha, NE. Hearing held November 21, 2019. License censured; plus take an additional six (6) hours of continuing education, with three (3) hours each in the areas of Contract Law and License Law due June 27, 2020; plus pay hearing fees of $373.20 due January 26, 2020 [Salkin violated Neb. Rev. Stat. § 81-885.24(26) Violating any rule or regulation adopted and promulgated by the commission in the interest of the public and consistent with the Nebraska Real Estate License Act; when he violated 299 NAC 2-003.07c; violated Neb. Rev. Stat. § 81-885.24(29) Demonstrating negligence, incompetency, or unworthiness to act as a broker, associate broker, or salesperson, whether of the same or of a different character as otherwise specified in this section; by (a) failing to ensure that the closing agent was informed of the commission adjustment approved by his client and by (b) failing to enter into a written and executed modification of the listing agreement reflecting the commission modification in accordance with the terms of the agreement.]

**2018-040 - Commission vs. Antonio O Anzalone;** Salesperson; Omaha, NE. Stipulation and Consent Order entered January 23, 2020. License suspended for a period of one (1) year, with the entire period stayed and served on probation. Probation commences February 22, 2020 and continues through February 22, 2021; plus pay a civil fine of $2,000.00 due February 22, 2020; [Anzalone violated Neb. Rev. Stat. § 81-885.24(29) Demonstrating negligence, incompetency, or unworthiness to act as a broker, associate broker, or salesperson, whether of the same or of a different character as otherwise specified in this section; when he authored and sent a “demand for commission” letter without having a written agreement with the seller or buyer.]

**2019-035 - Commission vs. Renae Ann Lade;** Salesperson; Waverly, NE. Stipulation and Consent Order entered January 23, 2020. License placed on probation for a period of two (2) years, with the first thirty (30) days served on suspension. Suspension commences February 22, 2020 and continues thru March 22, 2020. Probation commences on March 23, 2020, and continues through February 22, 2022; plus pay a civil fine of $500.00 due February 22, 2020; plus if charged and/or convicted of another criminal offense at any time during the entirety of the two (2) year suspension/probation period she shall report such an offense to the commission within five (5) days. [Lade violated Neb. Rev. Stat. § 81-885.12(4) When an applicant has made a false statement of material fact on an application, such false statement may in itself be sufficient ground for refusal of a license, when she failed to disclose her charge of "Theft-Deception $500-$1500, a class 1 Misdemeanor"; violated Neb. Rev. Stat. § 81-885.24(29)]
Demonstrating negligence, incompetency, or unworthiness to act as a broker, associate broker, or salesperson, whether of the same or of a different character as otherwise specified in this section; when she failed or refused to abide by the specified conditions in an Order of the commission, pertaining to the April 21, 2016, Special Appearance.]

**SC2019-002 - Commission vs. Nicole Jean Shoecraft**; Salesperson; Lincoln, NE. Stipulation and Consent Order entered January 23, 2020. License placed on probation for a period of two (2) years. Probation commences on February 22, 2020, and continues through February 22, 2022; plus pay a civil fine of $1,500.00 due February 22, 2020; plus during the entire two (2) year Probation period shall complete two (2) alcohol/substance abuse classes per week and provide documentary evidence of such attendance to the Commission every 3 months. The first report is due May 22, 2020. [Shoecraft violated Neb. Rev. Stat. § 81-885.10 Commission; powers; licensing; sanctions; consent decrees; civil fine. The commission shall have the full power to regulate the issuance of licenses and the activities of licensees and may impose sanctions pursuant to this section for the protection of the public health, safety, or welfare. The commission may revoke or suspend licenses issued under the Nebraska Real Estate License Act, censure licensees, enter into consent decrees, and issue cease and desist orders to violators of section 81-885.03. The commission may, alone or in combination with such disciplinary actions, impose a civil fine on a licensee for each violation alleged in a complaint for which the commission has made a finding of guilt, except that the total fine for such violations shall not exceed two thousand five hundred dollars per complaint. The commission may also impose a civil fine on violators of section 81-885.03 subject to the limits in such section, when she failed to abide by the sanctions by the commission. The commission shall retain its powers under this section with respect to the actions of a licensee, whether or not he or she continues to be licensed under the act; violated Neb. Rev. Stat. § 81-885.24(26) Violating any rule or regulation adopted and promulgated by the commission in the interest of the public and consistent with the Nebraska Real Estate License Act, when she failed to abide the commission sanctions; violated Neb. Rev. Stat. § 81-885.24(29) Demonstrating negligence, incompetency, or unworthiness to act as a broker, associate broker, or salesperson, whether of the same or of a different character as otherwise specified in this section; when she failed or refused to abide by the specified conditions in an Order of the commission, pertaining to the April 21, 2016, Special Appearance.]
Online Distance Education Temporarily Authorized

On March 19, 2020, the Commission expanded allowable real estate education to include online classroom environments when certain criteria are met.

The Nebraska Real Estate Commission (NREC) recognizes that many colleges and universities are under a mandatory shut-down and those institutions as well as other proprietary real estate schools and other real estate education providers may want to move to distance learning, using live streaming services such as Google, Zoom, Panopto, Vimeo Live, Skype or others, for in-class pre-licensing and continuing education programs that are currently approved or already in progress. The NREC makes no suggestion of one live-streaming service over another. However, we do require that the service allows the provider to be connected to all students at the same time through real time sight and sound. The preferred system will track and record participant logins, however, if that technology is not available, the instructor or a proctor will be required to track and record attendance for credit.

Any approved provider that chooses to move to an online education mode should email Alane Roubal alane.roubal@nebraska.gov and include the following information:

- The course number and original beginning date of the face-to-face class.
- The original end date of the face-to-face class.
- The date face-to-face class will move to an online method and the chosen method.
- Expected end day of the class, if not the same as original date.
- What distance-learning platform will be used
- The method used to record attendance

While the Commission does not put a limit on the number of students in a particular class we urge providers utilizing online learning to limit class sizes to those that can manage with utilized technology both to allow participation and accurately monitor attendance. We will also allow mixed delivery of classroom with an online option. Though we urge you to monitor and follow suggested guidelines for social distancing.

Please note that the relaxed guidelines for distance education are temporary in nature in response to the COVID-19 outbreak, and will be withdrawn with adequate notice when the situation alleviates.

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Designated Broker Changes

After July 1, 2020, pursuant to Neb. Rev. Stat. 81-885.13 (4) no person issued a broker’s license may act as a designated broker for any other licensee until such person has taken additional courses of post-licensure education in the subjects of real estate trust accounting, brokerage finance, business ethics, and risk management. This requirement applies to all resident brokers seeking to become a designated broker and employ other licensees except those acting as a designated broker as of July 1, 2020. The Designated broker course will be a 12 hour course offered in 3 hour segments or modules. The course shall be in addition to current continuing education requirements.

Please see the Licensing and Education sections of the Commission’s website for more information on the new licensing requirements and courses.
specified in this section; when she failed or refused to abide by the specified conditions in an Order of the commission, pertaining to the April 21, 2016, Special Appearance.

2019-014 – Commission vs. Alex J. Perry
Salesperson; Lincoln, NE. Stipulation and Consent Order entered March 5, 2020. License placed on probation for a period of two (2) years, with the first thirty (30) days served on suspension. Suspension commences April 4, 2020 and continues thru May 4, 2020. Probation commences on May 5, 2020, and continues through April 4, 2022; plus pay a civil fine of $1,000.00 due April 4, 2020; plus if charged and/or convicted of another criminal offense at any time during the entirety of the two (2) year suspension/probation period he shall report such an offense to the commission within five (5) days. [Perry violated Neb. Rev. Stat. § 81-885.12(4) When an applicant has made a false statement of material fact on an application, such false statement may in itself be sufficient ground for refusal of a license, when he failed to disclose his charge of Driving Under the Influence .08, Second Offense, a Misdemeanor on his 2018 license renewal; violated Neb. Rev. Stat. § 81-885.24(29) Demonstrating negligence, incompetency, or unworthiness to act as a broker, associate broker, or salesperson, whether of the same or of a different character as otherwise specified in this section; when he failed to disclose his charge of Driving Under the Influence .08, Second Offense, a Misdemeanor on his 2018 license renewal.]