

■ LEASING AGENT LICENSE

- Individuals acting as a leasing agent must be licensed as a leasing agent within 120 consecutive days. (5-5(d); 1450.40(a))
- Identify all leasing agents to OBRE within 24 hours. (1450.40(b))

■ ESCROW *(If escrow monies are held by your office)*

■ Review your escrow bookkeeping system. (1450.175)

- ✓ Does it include a chronological journal? (1450.175(i)(1); 1450.180(a)(1))
- ✓ Does it include a ledger for each transaction? (1450.175(i)(2); 1450.180(a)(1))
- ✓ Does it include a monthly reconciliation work sheet? (1450.175(i)(3); 1450.180(a)(1))

■ Know the name of your escrow account(s).

- ✓ Know the account number(s).
- ✓ Be prepared to show all account(s) and account numbers.

■ Know the name of bank where account is located.

- ✓ If an interest bearing account—have a W-9 for each account and a written agreement between the principals, providing the interest bearing account. (1450.175(b)(2))
- ✓ Notify OBRE of signatories to the escrow account, of account and account number. (1450.175(m))

■ OBRE COMPLIANCE PROCEDURES

Should you be selected as a participant in the OBRE Compliance Program, you will receive a letter from OBRE establishing a time for the review. If there are deficiencies observed during the review, they will be noted to you. The deficiency will be addressed at the time of the audit and a follow-up will be established if there is not the capacity for instant corrective action. It is in the best interest of each licensee to actively and aggressively make the corrective steps for compliance or be subject to future discipline. Your letter of introduction for a Compliance Audit will provide you with a contact person at OBRE.



OFFICE OF BANKS AND REAL ESTATE
www.obre.state.il.us

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Guide to

SPONSORING BROKER RESPONSIBILITIES

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OFFICE OF BANKS AND REAL ESTATE

STATUTORY AND REGULATORY REQUIREMENTS

In an effort to increase awareness of and compliance with the Illinois Real Estate License Act of 2000, the Office of Banks and Real Estate launched a Real Estate Division Examination Program in late 2001. The purpose of the program is to ascertain compliance with the Illinois Real Estate License Act of 2000 and Rule by Illinois real estate sponsoring brokers.

As background, many times the Office of Banks and Real Estate receives complaints which are minor or technical in nature and these complaints have further slowed the investigative processes. This new program is an attempt to assist licensees to comply with the laws and regulations. The intent of OBRE is to visit all real estate offices in the State and conduct a compliance audit. If OBRE finds an egregious violation a subsequent investigation may be initiated. As you review the audit report outline you will see the intent of OBRE is to ensure that the basic rudiments of licensure are followed, and if not, are changed in order to be in compliance.

As you review this brochure, the sections that will be reviewed in the examination by OBRE will list the appropriate reference (in parentheses) to the Illinois Real Estate License Act of 2000 or the Rule (reference to the Rule will begin with 1450.__). You may download a copy of the Real Estate License Act of 2000 and Rule at our Web site at www.obre.state.il.us.

■ VISUAL INSPECTION/ OFFICE REQUIREMENTS

- Identification sign must be appropriately displayed on the outside of your place of business. (5-45(d))
- Collective membership marks are only to be used by members of that organization, i.e. the term REALTOR® or listed as a member of the National Association of REALTORS®. (20-20(h)(4))
- Ensure your firm advertising is both truthful and accurate. (10-30(a))
- Real estate office must be located in a separate area/apart from other businesses. (5-45(d) and 20-20(d))
- All licensure certificates shall be conspicuously displayed in the broker's place of business. (5-45(d))

■ EMPLOYMENT AGREEMENT(S)

As a broker, be sure you have a written agreement with all sponsored licensees, including yourself unless you are a sole proprietor. Written agreement must include supervision guidelines, licensee's duties, commission agreement, and termination agreement. (10-20(c))

■ LISTING AGREEMENT(S)

All exclusive listing agreements and exclusive buyer brokerage agreements must be in writing. Be sure the agreements include the list (asking) price (in listing agreements), agreed amount of compensation (sales commission), time of payment, defined date of termination with no condition for automatic extension, broker's and client's name, signatures of all parties, identification of property (in listing agreement), duties of listing broker, required anti-discrimination clause, including listing all protected classes in Rules and Article 3 of the

Illinois Human Rights Act. (1-10 and 1450.195) If the listing agreement provides that, in the event of a default by a buyer, the broker's commission or fees will be paid from the earnest money first and the remainder of the earnest money paid to the seller, then that provision must be displayed in larger type than the rest of the print in your listing agreement. (1450.195)

■ COMPANY LICENSURE

- If licensed as an Illinois Corporation, be sure to maintain an Illinois Charter, issued by the State of Illinois Secretary of State. (1450.85(c)(2))
- Persons who act as an Illinois Limited Partnership or Limited Liability Company must receive Illinois approval issued by the State of Illinois Secretary of State. (1450.85(d) and (f))
- Make sure appropriate licenses are held by individuals within your firm.
 - ✓ All corporation officers must be licensed as real estate brokers. (5-15(b))
 - ✓ All employees who act as a real estate salesperson or leasing agent of the corporation or partnership must hold a license as a real estate broker, salesperson or leasing agent. (5-15(b))
 - ✓ General partners must be licensed as real estate brokers. (5-15(c))
- Individuals or groups of salespersons may not own more than 49% share of stock or other ownership. (5-15(e)). You will be asked to identify all shareholders and their ownership interest in the firm and their individual license numbers.
- Double check to make sure all corporation officers/general partners have active licenses. You will be asked to publish their names and license numbers.
- Conspicuously display licenses of sponsoring broker and all licensees in office.