Frequently Asked Questions Regarding Real Estate Course Approvals

(For Current and Prospective Course Providers)

The below frequently asked questions are directed towards individuals or private schools who are seeking approval from the Department of Real Estate (DRE) to offer Pre-License/Statutory courses to individuals attempting to qualify for the real estate broker or salesperson license exams and to offer Continuing Education (CE) courses to California real estate licensees for the purposes of renewing their license.

Starting a Real Estate School

Q. What should my first step be in starting a real estate school?

- Review the governing regulations, Regulations of the Real Estate Commissioner Articles 24 and 25, used to approve the types of courses you are seeking approval to offer.
 - RE 307 for Pre-License/Statutory Courses.
 - o RE 312 for CE Courses.

Q. What school name can I use?

- Check the DRE website to see if your proposed school's name is already in use. It should be noted that the Department does not approve course providers, only the courses offered by the course providers.
 - o For Pre-License/Statutory Courses schools: http://secure.dre.ca.gov/publicasp/cestatutory.asp.
 - o For CE Schools: http://secure.dre.ca.gov/publicasp/CEContinue.asp.

Q. What entity is acceptable in the filing of a real estate school?

- Your school can be filed as an individual, a corporation, an LLC, an LP, or as a company.
 - All types, other than an individual, require you to file with the California Secretary of State (SOS). Read the <u>RE 303</u> or <u>RE 300</u> for the specific filings required. A Statement of Information is not acceptable documentation from the SOS.
 - Out-of-state sponsors will need specific filings from the SOS, these are also listed on the RE 303 or RE 300.
 - o If the school name is a fictitious business name or DBA (doing business as) of an individual, a corporation, an LLC, an LP, or a company, you must file a fictitious business name statement with the county clerk and provide the Department with the parent company's SOS filing. If your school is out of state, you must file your fictitious business name through Sacramento Count.

Q. Who can teach these courses?

- Every School must have a qualified instructor, whether for a live course or a correspondence/internet course.
 - Review the instructor qualifications on forms <u>RE 335</u> or <u>RE 336</u>, depending on the type of courses you are seeking approval to offer.

Q. What types of courses can be offered?

Pre-License-Statutory courses must be equivalent in quality to that of college level courses. Each
course must be a minimum of 45 hours long and must have no less than 15 separate units of
instruction. Pre-License textbooks must have a minimum of 450 pages of instruction. Courses can only
be named as identified in statue under Business and Professions Code Section 10153.2. Approval of
these courses is only for the purpose of qualifying for the California real estate license exams.

• CE courses are identified by different categories and must be a minimum of 1 hour in length. The categories of CE courses can be found in statute under Business and Professions Code Section 10170.5.

Q. Is there a time requirement for the course final exam?

- Although there is currently no set time requirement on the pre-license final exam, sponsors generally allow 2-3 hours for the student to complete the final exam.
- CE courses allow a maximum amount of one minute per question.

Submitting Your Application to the Department of Real Estate

Q. What needs to be submitted?

- Read through the appropriate checklist and instructions form for the courses you are seeking approval
 to offer.
 - o <u>RE 303</u> for Pre-License/Statutory.
 - o RE 300 for CE.
- Missing items will further delay the review and processing of your course application. Remember –
 any material that will be provided to a student must be provided to the Department in print form.
 Digital media (i.e. USB, Flash Drive, CD, etc...) will not be accepted.
- Make sure that all forms are filled out fully and correctly.
 - o Applicable does not mean optional. If it applies to you, then you must answer.
- With certain forms, the Department provides a "sample recommended document". If you decide to use your own form, you must ensure it includes all the information on the Department's "sample recommended document". If using a form with "sample recommended document", please be sure to remove "sample recommended document" from the form before submitting.

Q. What fees are needed with the submission?

• Submit the correct fee with your application. Pre-License/Statutory course applications are \$150 per course. CE courses are \$350 for a 1 or 2 hour course application, and \$500 for a 3 hour or longer course application.

Q. Where do I send my application?

 For regular USPS delivery, mail the application packet to the: Department of Real Estate PO Box 137009

FO BOX 137009

Sacramento, CA 95813-7009

• For FedEx/UPS deliveries, use the Department's physical address:

Department of Real Estate

Attn: Education Section 1651 Exposition Blvd Sacramento, CA 95815

Q. Do I need to resend documents previously submitted with a different application?

• Every course application is a separate file. Do not assume that since you sent a certain document (SOS filings, instructor documents, correspondence statements, etc.) to the Department in the past that you do not have to send it again. Follow the checklist for each course application being submitted.

Status of Your Application

Q. How do I check status on my course approval submission?

- When the Department receives your course application, we will process your payment first. If you want to confirm that the application was received, check your bank account/credit card statement for a cleared check or charge on the account.
- Once we get the application, and the information is entered into our system, the Department will send an automated email to the primary and secondary contacts advising that we have received the application. Course reviews take a minimum of 90 days for CE course applications and a minimum of 60 days for Pre-License/Statutory course applications.

Q. How soon should I follow up on status?

• Please refrain from contacting the Education Section during this time as we are a small unit and we review applications in a date received order. If more than 90 days have passed since receiving our automated email, and you have not heard from us, please contact us for a status.

Q. How will I be notified?

- Once the review of your course application begins, the analyst assigned will contact you via US mail should there be any deficiencies. Approximately 90% of the submitted course applications require a deficiency letter.
- Once you have corrected the deficiencies, mail the packet back to the Department along with the deficiency letter that was sent. Deficiency responses cannot be faxed or emailed. The documents will then be reviewed again by the analyst for compliance.
- If the course application is in compliance, the analyst will forward the file to the Education Section Manager for the final course approval.
 - A follow up deficiency letter could also result from the manager review process, but this is not common.

Course Approval

Q. What happens when a course is approved?

- Once a course is approved, the primary and secondary contacts will receive an automated email notification with the course approval number and effective date.
 - o Pre-License/Statutory course approval numbers are six digits, example XXXX-XX.
 - o CE course approval numbers are eight digits, example XXXX-XXXX.
 - Full course approval numbers should only be provided to the student after satisfactory completion of a course.
- Approved courses can be found on the Department's website.
 - o For Pre-License/Statutory Schools: http://secure.dre.ca.gov/publicasp/cestatutory.asp.
 - o For CE Schools: http://secure.dre.ca.gov/publicasp/cecontinue.asp.

Q. How long are courses valid for?

- Pre-License course approvals do not expire. Although, a new application must be submitted with any material changes (i.e. New textbook, owner, etc...).
- CE course approvals are valid for two years from the approval date. The Department will send out an automated email to the primary and secondary contacts 120 days before the course expires.
 - Please note the reminder of the upcoming course expiration is sent as a courtesy. The Sponsor is responsible for updating contact information and submitting the CE course renewal package.

Q. What approval number should be used for an approved course?

• The sponsor must use the course approval numbers that were valid when the student **enrolled/registered** for the course.

Q. A student has notified me that a course certificate has been rejected by the Department. What do I do now?

 Request an exact copy from the student of what they submitted to DRE. Check information with the school records. If necessary, resubmit an accurate certificate to the student and have the student resubmit to DRE.

Common Deficiencies

Q. What are common deficiencies to course submissions?

- Using outdated forms. Forms submitted should be the most recent version available on the website: http://www.dre.ca.gov/Forms/
- Missing documents, especially documents that are duplicated with every course application, such as SOS or FBNS documents.
- Missing original signatures from the appropriate verifier.
- Incorrect naming of the Department of Real Estate. Any and all references made to the Department of Real Estate must be either 'Department of Real Estate', 'California Department of Real Estate', 'DRE', or 'Department'. Do not use 'BRE', 'CalBRE', 'Bureau of Real Estate', or 'CalDRE'.
- Incorrect answers to application questions; read the question carefully and provide an appropriate response. Please make sure that answers to application questions are consistent with the other documents submitted with your application.
- For the Course Completion Certificate, fill it out completely as you would for a student who successfully completed the course, including the verifier's signature.
- All courses must have a final exam to be approved, even if it is just a one hour seminar, etc.
- Every course must have an instructor, even online courses. If a student has a question about the course material, this is who they will contact.
 - o Instructor supporting documentation usually includes a copy of a diploma(s), resume and real estate license printout (if licensed).
- Instructor certification form (<u>RE 335</u> and <u>RE 336</u>) should list the primary contact information on top of form, not the instructor's name.
- Final exam instructions should include what happens if they fail.
- If you are a new course provider, start by submitting one course application and work out the kinks. Once approved, you can then create a template of documents to then use when submitting your additional courses. This saves you and the Department a considerable amount of time.
- The DRE does not accept course applications bit by bit or piece mailed. The DRE will only accept completed course applications that include the required documents attached to it.
- Out of state schools (the school headquarters is outside of California) must attach the fully completed and notarized "Consent to Service of Process" form (<u>RE 304</u>). This form is required to be submitted with every course application.
- Remember the General Information Page is to be provided to students prior to registration and payment of a course.
- Advertising violations are often found during our review of a schools website. Be careful of false and misleading statements, such as stating you have approved courses when in fact you do not.

- A "test drive" will be performed on all online courses. Online final exam login information is required for regulator review. Two separate logins will be required:
 - A student login which would show any course and final exam information exactly as a student would see.
 - A separate 'regulator' login which would allow direct access to the course final exam without having to wait the required study time. The regulator login should allow direct access to the final exam without having to complete the required course hours or quizzes but should still have all of the required controls regarding online final exams.
 - O Be sure to review/pre-test all login information and the final exam prior to sending the above requested login information.

Changes to a Course

Q. What if there are changes to the approved course?

- First and foremost, the Department must be advised **in advance** of any changes to your school, textbook, contacts, instructors, course content, final exam and method of presentation. Once a course is approved, it cannot deviate from the approved submittal without the Department's consent.
- If a change is required, you must advise the Department in advance of the change occurring, usually by letter with the proposed document changes attached.
- Certain changes will require the course provider submit a new course application, fee and all of the required documents. This is known as a material change.
- Even if the change, as defined by the regulations, does not require a new application and fee, the change must be submitted and approved by the Department prior to use.

Contact

Q. How do I contact the Education Section?

• Our office is open Monday through Friday, except state holidays, 8 am to 5 pm. The Education Section telephone number is (916) 576-3366. Messages are returned within 2 business days of receipt. Please leave a voicemail with your specific question. Please no licensing calls.