# Indiana Real Estate Commission

## Laws and Regulations

**A compilation of the Indiana Code and Indiana Administrative Code**

2011 Edition

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**NOTICE:** This compilation incorporates the most recent revisions of statutes and administrative rules governing the real estate profession, as of July 1, 2010. Note that this compilation is not an official version of the Indiana Code. It is distributed as a general guide to individuals in the real estate profession regulated by the Indiana Professional Licensing Agency. It is not intended to be offered as legal advice, and it may contain typographical errors. The Indiana Real Estate Commission and the Indiana Professional Licensing Agency are prohibited from providing legal advice on issues contained herein. For legal advice, please consult an attorney. To obtain official copies of the Indiana Code or Indiana Administrative Code, please contact your nearest public library or visit the website of the Indiana General Assembly at www.in.gov/legislative.

## INDIANA REAL ESTATE COMMISSION

April 2012 Edition

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## INDIANA CODE § 25-34.1

## ARTICLE 34.1. REAL ESTATE BROKERS AND SALESPERSONS

## INDIANA CODE § 25-34.1-1

### Chapter 1. Definitions and General Provisions

**IC 25-34.1-1-1 Short title**

Sec. 1. This article shall be known as the "Real Estate Broker and Salesperson Licensing Act."

*As added by Acts 1979, P.L.248, SEC.1.*

**IC 25-34.1-1-2 Definitions**

Sec. 2. As used in this article:

(1) "Person" means an individual, a partnership, a corporation, or a limited liability company.

(2) "Commission" means the Indiana real estate commission.

(3) "Real estate" means any right, title, or interest in real property.

(4) "Broker" means a person who, for consideration, sells, buys, trades, exchanges, options, leases, rents, manages, lists, or appraises real estate or negotiates or offers to perform any of those acts.

(5) "Salesperson" means an individual, other than a broker, who, for consideration and in association with and under the auspices of a broker, sells, buys, trades, exchanges, options, leases, rents, manages, or lists real estate or negotiates or offers to perform any of those acts.

(6) "Broker-salesperson" means an individual broker who is acting in association with and under the auspices of another broker.

(7) "Principal broker" means a broker who is not acting as a broker-salesperson.

(8) "License" means a broker or salesperson license issued under this article and which is not expired, suspended, or revoked.

(9) "Licensee" means a person who holds a license issued under this article. The term does not include a person who holds a real estate appraiser license or certificate issued under the real estate appraiser licensure and certification program established under IC 25-34.1-3-8.

(10) "Course approval" means approval of a broker or salesperson course granted under this article which is not expired, suspended, or revoked.

(11) "Licensing agency" means the Indiana professional licensing agency established by IC 25-1-5-3.

(12) "Board" refers to the real estate appraiser licensure and certification board established under IC 25-34.1-8-1.

(13) "Commercial real estate" means a parcel of real estate other than real estate containing one (1) to four (4) residential units. This term does not include single family residential units such as:

(A) condominiums;

(B) townhouses;

(C) manufactured homes; or

(D) homes in a subdivision;

when sold, leased, or otherwise conveyed on a unit-by-unit basis, even if those units are part of a larger building or parcel of real estate containing more than four (4) residential units.

(14) "Out-of-state commercial broker" includes a person, a partnership, an association, a limited liability company, a limited liability partnership, or a corporation that is licensed to do business as a broker in a jurisdiction other than Indiana.

(15) "Out-of-state commercial salesperson" includes a person affiliated with an out-of-state commercial broker who is not licensed as a salesperson under this article.

*As added by Acts 1979, P.L.248, SEC.1. Amended by Acts 1982, P.L.113, SEC.79; P.L.132-1984, SEC.42; P.L.186-1990, SEC.11; P.L.183-1991, SEC.5; P.L.128-1994, SEC.1; P.L.64-2004, SEC.16; P.L.2-2005, SEC.71; P.L.1-2006, SEC.479.*

**IC 25-34.1-1-3 Nonconflicting rules to remain in effect**

Sec. 3. All rules adopted under the former IC 25-34 and in effect on December 31, 1979, which are not in conflict with this article shall remain in effect under IC 25-34.1 until they are amended or repealed.

*As added by Acts 1979, P.L.248, SEC.1. Amended by P.L.3-1990, SEC.91.*

## INDIANA CODE § 25-34.1-2

### Chapter 2. Creation of Commission

**IC 25-34.1-2-1 Creation; qualification of members; appointment; term; vacancies**

Sec. 1. (a) The Indiana real estate commission is created.

(b) The commission consists of the following:

(1) Nine (9) district members. Each Indiana congressional district must be represented by one (1) individual appointed under this subdivision.

(2) One (1) real estate member at large.

(3) Two (2) citizen members at large.

A member described in subdivision (1) must be a resident of the represented district for not less than one (1) year. A member described in subdivision (1) or (2) must have engaged in business as a license broker for not less than five (5) years. Citizen members at large shall be appointed to represent the general public, must be residents of Indiana, and must have never been associated with the real estate business in any way other than as a consumer.

(c) Each member of the commission shall be appointed by the governor and shall serve a four (4) year term. If a successor has not been appointed, the current member shall serve until a successor is appointed and qualified. If a vacancy occurs on the commission, the governor shall appoint an individual to serve the unexpired term of the previous member and until a successor is appointed and qualified.

(d) A member of the commission may not hold a state or federal elective office.

*As added by Acts 1979, P.L.248, SEC.1. Amended by Acts 1981, P.L.222, SEC.259; P.L.170-2002, SEC.128.*

**IC 25-34.1-2-2 Officers; term; duties; executive director**

Sec. 2. (a) The commission shall elect from its membership a chairman and a vice chairman. The chairman and vice chairman shall serve in that capacity for one (1) year and until a successor is elected. The chairman and vice chairman may serve consecutively no more than two (2) terms in that capacity. The chairman shall preside at all meetings. The vice chairman shall preside at meetings in the absence of the chairman and shall perform other duties as the chairman may direct.

(b) The licensing agency shall provide to the commission an executive director. The executive director may not be a member of the commission. The executive director shall:

(1) provide reasonable notice to all commission members of the time and place of each meeting;

(2) keep a record of all meetings, of all votes taken by the commission, and of all other proceedings, transactions, communications, official acts, and records of the commission;

(3) keep a current file of all licenses and licensees; and

(4) perform any other duties which the commission may prescribe.

*As added by Acts 1979, P.L.248, SEC.1. Amended by Acts 1982, P.L.113, SEC.80; P.L.132-1984, SEC.43.*

**IC 25-34.1-2-3 Meetings; time and place; quorum; written consent to action**

Sec. 3. (a) The commission shall meet upon the call of the chairman or at the written request of any seven (7) members of the commission. The chairman shall establish the time and place of all meetings.

(b) A majority of the current members of the commission constitutes a quorum at a meeting for the purpose of transacting business. A majority vote of all members present at a meeting is necessary to bind the commission.

(c) Any action required or permitted to be taken at a meeting of the commission may be taken without a meeting if, prior to that action:

(1) a written consent to the action, either executed as a single document or in counterparts, is signed by all members of the commission; or

(2) all members orally consent to the action and subsequently confirm that consent in writing.

The written consent or confirmation shall set forth the action under consideration and shall be filed with the minutes of the meetings which are kept by the executive director. A written consent or a confirmed oral consent shall be treated for all purposes as a unanimous vote of the members and as though the vote had taken place at a regular meeting of the commission.

*As added by Acts 1979, P.L.248, SEC.1.*

**IC 25-34.1-2-4 Compensation of members; expenses**

Sec. 4. (a) Each member is entitled to the minimum salary per diem as provided in IC 4-10-11-2.1(b).

(b) Each member is entitled to reimbursement for traveling and other expenses, as provided in the state travel policies and procedures established by the department of administration and approved by the state budget agency.

(c) The compensation and expenses of the commission members and the expenses of the commission shall be paid out of the general fund of the state.

*As added by Acts 1979, P.L.248, SEC.1.*

**IC 25-34.1-2-5 Powers of commission**

Sec. 5. The commission may:

(1) administer and enforce the provisions of this article;

(2) adopt rules in accordance with IC 4-22-2 and prescribe forms for licenses, applications, principal broker certifications, and other documents which are necessary or appropriate for the administration and enforcement of this article;

(3) issue, deny, suspend, and revoke licenses in accordance with this article, which licenses shall remain the property of the commission;

(4) subject to IC 25-1-7, investigate complaints concerning licensees or persons the commission has reason to believe should be licensees, including complaints respecting failure to comply with this article or the rules, and, when appropriate, take action pursuant to IC 25-34.1-6;

(5) bring actions, in the name of the state of Indiana, in an appropriate circuit court in order to enforce compliance with this article or the rules;

(6) inspect the records of a licensee in accordance with rules and standards prescribed by the commission;

(7) conduct, or designate a member or other representative to conduct, public hearings on any matter for which a hearing is required under this article and exercise all powers granted in IC 4-21.5;

(8) adopt a seal containing the words "Indiana Real Estate Commission" and, through its executive director, certify copies and authenticate all acts of the commission;

(9) utilize counsel, consultants, and other persons who are necessary or appropriate to administer and enforce this article and the rules;

(10) enter into contracts and authorize expenditures that are necessary or appropriate, subject to IC 25-1-6, to administer and enforce this article and the rules;

(11) maintain the commission's office, files, records, and property in the city of Indianapolis;

(12) grant, deny, suspend, and revoke approval of examinations and courses of study as provided in IC 25-34.1-5;

(13) provide for the filing and approval of surety bonds which are required by IC 25-34.1-5;

(14) adopt rules in accordance with IC 4-22-2 necessary for the administration of the investigative fund established under IC 25-34.1-8-7.5;

(15) annually adopt emergency rules under IC 4-22-2-37.1 to adopt any or all parts of Uniform Standards of Professional Appraisal Practice (USPAP), including the comments to the USPAP, as published by the Appraisal Standards Board of the Appraisal Foundation, under the authority of Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (12 U.S.C. 3331-3351); and

(16) exercise other specific powers conferred upon the commission by this article.

*As added by Acts 1979, P.L.248, SEC.1. Amended by Acts 1981, P.L.222, SEC.260; P.L.7-1987, SEC.129; P.L.145-2003, SEC.8; P.L.177-2009, SEC.58.*

**IC 25-34.1-2-5.1 Standards for competent practice; rules**

Sec. 5.1. The commission shall adopt rules establishing standards for the competent practice of the various occupations regulated in this article.

*As added by Acts 1981, P.L.222, SEC.261.*

**IC 25-34.1-2-6 Repealed**

(*Repealed by P.L.57-2007, SEC.9.)*

**IC 25-34.1-2-7 Report of funds; deposit; payment of expenses; fee for investigation fund**

Sec. 6.5 (a) Except as provided in subsection (b), all funds collected under this article shall, at the end of each month, be reported to the auditor of state and deposited with the treasurer of state for deposit in the general fund. All expenses incurred in the administration of this article shall be paid from the general fund.

(b) The commission shall establish a fee of not more than twenty dollars ($20) for real estate brokers and salespersons to provide funds for the purpose of administering and enforcing the provisions of this article, including investigating and taking enforcement action against real estate fraud and real estate appraisal fraud. All funds collected under this subsection shall be deposited in the investigative fund established by IC 25-34.1-8-7.5.

*As added by P.L.57-2007, SEC.2.*

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## INDIANA CODE § 25-34.1-3

### Chapter 3. Licensing

**IC 25-34.1-3-1 Registration or license requirements; fees or charges**

Sec. 1. Any agency or political subdivision of the state other than the commission may not impose any registration or license requirement or any license or employment fee or charge on licensees on account of activities defined in IC 25-34.1.

*As added by Acts 1979, P.L.248, SEC.1.*

**IC 25-34.1-3-2 Transactions without license; prohibition; exemption**

Sec. 2. (a) Except as provided in:

(1) subsection (b);

(2) section 8(i) of this chapter; and

(3) section 11 of this chapter;

no person shall, for consideration, sell, buy, trade, exchange, option, lease, rent, manage, list, or appraise real estate or negotiate or offer to perform any of those acts in Indiana or with respect to real estate situated in Indiana, without a license.

(b) This article does not apply to:

(1) acts of an attorney which constitute the practice of law;

(2) performance by a public official of acts authorized by law;

(3) acts of a receiver, executor, administrator, commissioner, trustee, or guardian, respecting real estate owned or leased by the person represented, performed pursuant to court order or a will;

(4) rental, for periods of less than thirty (30) days, of rooms, lodging, or other accommodations, by any commercial hotel, motel, tourist facility, or similar establishment which regularly furnishes such accommodations for consideration;

(5) rental of residential apartment units by an individual employed or supervised by a licensed broker;

(6) rental of apartment units which are owned and managed by a person whose only activities regulated by this article are in relation to a maximum of twelve (12) apartment units which are located on a single parcel of real estate or on contiguous parcels of real estate;

(7) referral of real estate business by a broker, salesperson, or referral company which is licensed under the laws of another state, to or from brokers and salespersons licensed by this state;

(8) acts performed by a person in relation to real estate owned by that person unless that person is licensed under this article, in which case the article does apply to him;

(9) acts performed by a regular, full-time, salaried employee of a person in relation to real estate owned or leased by that person unless the employee is licensed under this article, in which case the article does apply to him;

(10) conduct of a sale at public auction by a licensed auctioneer pursuant to IC 25-6.1;

(11) sale, lease, or other transfer of interests in cemetery lots; and

(12) acts of a broker or salesperson, who is licensed under the laws of another state, which are performed pursuant to, and under restrictions provided by, written permission that is granted by the commission in its sole discretion, except that such a person shall comply with the requirements of section 5(c) of this chapter.

*As added by Acts 1979, P.L.248, SEC.1. Amended by Acts 1982, P.L.156, SEC.1; P.L.183-1991, SEC.6; P.L.64-2004, SEC.17.*

**IC 25-34.1-3-3 Repealed**

(*Repealed by Acts 1982, P.L.156, SEC.4.)*

**IC 25-34.1-3-3.1 Requirements for salesperson's license**

Sec. 3.1. (a) To obtain a salesperson license, an individual must:

(1) be at least eighteen (18) years of age before applying for a license and must not have a conviction for:

(A) an act that would constitute a ground for disciplinary sanction under IC 25-1-11;

(B) a crime that has a direct bearing on the individual's ability to practice competently; or

(C) a crime that indicates the individual has the propensity to endanger the public;

(2) have successfully completed courses in the principles, practices, and law of real estate, totaling eight (8) semester credit hours, or their equivalent, as a student at an accredited college or university or have successfully completed an approved salesperson course as provided in IC 25-34.1-5-5(a);

(3) apply for a license by submitting the fee prescribed by the commission and an application containing the name, address, and age of the applicant, the name under which the applicant intends to conduct business, the principal broker's address where the business is to be conducted, proof of compliance with subdivision (2), and any other information the commission requires;

(4) pass a written examination prepared and administered by the commission or its duly appointed agent; and

(5) submit not more than one (1) year after passing the written examination under subdivision (4) a sworn certification of a principal broker that the principal broker intends to associate with the applicant and maintain that association until notice of termination of the association is given to the commission.

(b) Upon the applicant's compliance with the requirements of subsection (a), the commission shall:

(1) issue a wall certificate in the name of the salesperson to the principal broker who certified the applicant's association with the principal broker; and

(2) issue to the salesperson a pocket identification card which certifies that the salesperson is licensed and indicates the expiration date of the license and the name of the principal broker.

(c) A salesperson shall:

(1) act under the auspices of the principal broker responsible for that salesperson's conduct under this article;

(2) be associated with only one (1) principal broker;

(3) maintain evidence of licensure in the office, branch office, or sales outlet of the principal broker;

(4) advertise only in the name of the principal broker, with the principal broker's name in letters of advertising larger than that of the salesperson's name; and

(5) not maintain any real estate office apart from that office provided by the principal broker.

(d) Upon termination of a salesperson's association with a principal broker, the salesperson's license shall be returned to the commission within five (5) business days. The commission shall reissue the license to any principal broker whose certification, as prescribed in subsection (a)(5), is filed with the commission, and the commission shall issue a new identification card to the salesperson reflecting that change.

(e) Unless a license is renewed, a salesperson license expires on a date specified by the licensing agency under IC 25-1-6-4 and expires biennially after the initial expiration date. An applicant for renewal shall submit an application in the manner prescribed by the board and pay the renewal fee established by the board under IC 25-1-8-2 on or before the renewal date specified by the licensing agency. If the holder of a license does not renew the license by the date specified by the licensing agency, the license expires and becomes invalid without the board taking any action.

(f) If the holder of a license under this section fails to renew the license on or before the date specified by the licensing agency, the license may be reinstated by the commission if the holder of the license, not later than three (3) years after the expiration of the license, meets the requirements of IC 25-1-8-6(c).

(g) If a license under this section has been expired for more than three (3) years, the license may be reinstated by the commission if the holder meets the requirements for reinstatement under IC 25-1-8-6(d).

(h) A salesperson license may be issued to an individual who is not yet associated with a principal broker but who otherwise meets the requirements of subsection (a). A license issued under this subsection shall be held by the commission in an unassigned status until the date the individual submits the certification of a principal broker required by subsection (a)(5). If the individual does not submit the application for licensure within one (1) year after passing the commission examination,

the commission shall void the application and may not issue a license to that applicant unless the applicant again complies with the requirements of subsection (a)(4) through (a)(5).

(i) If an individual holding a salesperson license is not associated with a principal broker for two (2) successive renewal periods, the commission shall notify the individual in writing that the individual's license will become void if the individual does not associate with a principal broker within thirty (30) days from the date the notification is mailed. A void license may not be renewed.

*As added by Acts 1982, P.L.156, SEC.2. Amended by P.L.255-1987, SEC.2; P.L.214-1993, SEC.82; P.L.128-1994, SEC.2; P.L.236-1995, SEC.49; P.L.182-1996, SEC.1; P.L.194-2005, SEC.85; P.L.157-2006, SEC.71; P.L.105-2008, SEC.62.*

**IC 25-34.1-3-4 Repealed**

(*Repealed by Acts 1982, P.L.156, SEC.4.)*

**IC 25-34.1-3-4.1 Requirements for broker's license**

Sec. 4.1. (a) To obtain a broker license, an individual must:

(1) be at least eighteen (18) years of age before applying for a license and must not have a conviction for:

(A) an act that would constitute a ground for disciplinary sanction under IC 25-1-11;

(B) a crime that has a direct bearing on the individual's ability to practice competently; or

(C) a crime that indicates the individual has the propensity to endanger the public;

(2) have satisfied section 3.1(a)(2) of this chapter and have had continuous active experience for one (1) year immediately preceding the application as a licensed salesperson in Indiana. However, this one (1) year experience requirement may be waived by the commission upon a finding of equivalent experience;

(3) have successfully completed an approved broker course of study as prescribed in IC 25-34.1-5-5(b);

(4) apply for a license by submitting the application fee prescribed by the commission and an application specifying the name, address, and age of the applicant, the name under which the applicant intends to conduct business, the address where the business is to be conducted, proof of compliance with subdivisions (2) and (3), and any other information the commission requires;

(5) pass a written examination prepared and administered by the commission or its duly appointed agent; and

(6) within one (1) year after passing the commission examination, submit the license fee established by the commission under IC 25-1-8-2. If an individual applicant fails to file a timely license fee, the commission shall void the application and may not issue a license to that applicant unless that applicant again complies with the requirements of subdivisions (4) and (5) and this subdivision.

(b) To obtain a broker license, a partnership must:

(1) have as partners only individuals who are licensed brokers;

(2) have at least one (1) partner who:

(A) is a resident of Indiana; or

(B) is a principal broker under IC 25-34.1-4-3(b);

(3) cause each employee of the partnership who acts as a broker or salesperson to be licensed; and

(4) submit the license fee established by the commission under IC 25-1-8-2 and an application setting forth the name and residence address of each partner and the information prescribed in subsection (a)(4).

(c) To obtain a broker license, a corporation must:

(1) have a licensed broker:

(A) residing in Indiana who is either an officer of the corporation or, if no officer resides in Indiana, the highest ranking corporate employee in Indiana with authority to bind the corporation in real estate transactions; or

(B) who is a principal broker under IC 25-34.1-4-3(b);

(2) cause each employee of the corporation who acts as a broker or salesperson to be licensed; and

(3) submit the license fee established by the commission under IC 25-1-8-2, an application setting forth the name and residence address of each officer and the information prescribed in subsection (a)(4), a copy of the certificate of incorporation, and a certificate of good standing of the corporation issued by the secretary of state.

(d) To obtain a broker license, a limited liability company must:

(1) if a member-managed limited liability company:

(A) have as members only individuals who are licensed brokers; and

(B) have at least one (1) member who is:

(i) a resident of Indiana; or

(ii) a principal broker under IC 25-34.1-4-3(b);

(2) if a manager-managed limited liability company, have a licensed broker:

(A) residing in Indiana who is either a manager of the company or, if no manager resides in Indiana, the highest ranking company officer or employee in Indiana with authority to bind the company in real estate transactions; or

(B) who is a principal broker under IC 25-34.1-4-3(b);

(3) cause each employee of the limited liability company who acts as a broker or salesperson to be licensed; and

(4) submit the license fee established by the commission under IC 25-1-8-2 and an application setting forth the information prescribed in subsection (a)(4), together with:

(A) if a member-managed company, the name and residence address of each member; or

(B) if a manager-managed company, the name and residence address of each manager, or of each officer if the company has officers.

(e) Licenses granted to partnerships, corporations, and limited liability companies are issued, expire, are renewed, and are effective on the same terms as licenses granted to individual brokers, except as provided in subsection (h), and except that expiration or revocation of the license of:

(1) any partner in a partnership or all individuals in a corporation satisfying subsection (c)(1); or

(2) a member in a member-managed limited liability company or all individuals in a manager-managed limited liability company satisfying subsection (d)(2);

terminates the license of that partnership, corporation, or limited liability company.

(f) Upon the applicant's compliance with the requirements of subsection (a), (b), or (c), the commission shall issue the applicant a broker license and an identification card which certifies the issuance of the license and indicates the expiration date of the license. The license shall be displayed at the broker's place of business.

(g) Unless the license is renewed, a broker license expires, for individuals, on a date specified by the licensing agency under IC 25-1-6-4 and expires biennially after the initial expiration date. An applicant for renewal shall submit an application in the manner prescribed by the board and pay the renewal fee established by the commission under IC 25-1-8-2 on or before the renewal date specified by the licensing agency. If the holder of a license does not renew the license by the date specified by the licensing agency, the license expires and becomes invalid without the board taking any action.

(h) If the holder of a license under this section fails to renew the license on or before the date specified by the licensing agency, the license may be reinstated by the commission if the holder of the license, not later than

three (3) years after the expiration of the license, meets the requirements of IC 25-1-8-6(c).

(i) If a license under this section has been expired for more than three (3) years, the license may be reinstated by the commission if the holder meets the requirements for reinstatement under IC 25-1-8-6(d).

(j) A partnership, corporation, or limited liability company may not be a broker-salesperson except as authorized in IC 23-1.5. An individual broker who associates as a broker-salesperson with a principal broker shall immediately notify the commission of the name and business address of the principal broker and of any changes of principal broker that may occur. The commission shall then change the address of the broker-salesperson on its records to that of the principal broker.

*As added by Acts 1982, P.L.156, SEC.3. Amended by P.L.255-1987, SEC.3; P.L.5-1988, SEC.139; P.L.214-1993, SEC.83; P.L.128-1994, SEC.3; P.L.229-1995, SEC.6; P.L.236-1995, SEC.50; P.L.182-1996, SEC.2; P.L.64-2004, SEC.18; P.L.194-2005, SEC.86; P.L.157-2006, SEC.72; P.L.105-2008, SEC.63.*

**IC 25-34.1-3-5 Licensing of nonresident; consent to service of process; waiver**

Sec. 5. (a) A resident of another state, meeting the requirements of this chapter, may be licensed.

(b) A nonresident salesperson or broker shall file with the commission a written consent that any action arising out of the conduct of the licensee's business in Indiana may be commenced in any county of this state in which the cause of action accrues. The consent shall provide that service of process may be made upon the commission, as agent for the nonresident licensee, and that service in accordance with the Indiana Rules of Trial Procedure subjects the licensee to the jurisdiction of the courts in that county.

(c) The requirements of this section may be waived for individuals of or moving from other jurisdictions if the following requirements are met:

(1) The jurisdiction grants the same privilege to the licensees of this state.

(2) The individual is licensed in that jurisdiction.

(3) The licensing requirements of that jurisdiction are substantially similar to the requirements of this chapter.

(4) The applicant states that the applicant has studied, is familiar with, and will abide by the statutes and rules of this state.

*As added by Acts 1979, P.L.248, SEC.1. Amended by P.L.255-1987, SEC.4; P.L.64-2004, SEC.19.*

**IC 25-34.1-3-6 Change of name, business address, or association of licensee or principal broker**

Sec. 6. Each licensee and each licensee's principal broker, if any, shall notify the commission immediately of any change of name, name under which the licensee transacts business, business address, or association.

*As added by Acts 1979, P.L.248, SEC.1.*

**IC 25-34.1-3-7 Repealed**

(*Repealed by Acts 1981, P.L.222, SEC.296.)*

**IC 25-34.1-3-8 Real estate appraiser licensure and certification program; necessity for licensure or certification**

Sec. 8. (a) This section does not preclude a person who:

(1) is not licensed or certified as a real estate appraiser under this section; and

(2) is licensed as a broker under this article;

from appraising real estate in Indiana for compensation.

(b) As used in this section, "federal act" refers to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (12 U.S.C. 3331 through 3351).

(c) The commission shall adopt rules to establish a real estate appraiser licensure and certification program to be administered by the board.

(d) The commission may not adopt rules under this section except upon the action and written recommendations of the board under IC 25-34.1-8-6.5.

(e) The real estate appraiser licensure and certification program established by the commission under this section must meet the requirements of:

(1) the federal act;

(2) any federal regulations adopted under the federal act; and

(3) any other requirements established by the commission as recommended by the board, including requirements for education, experience, examination, reciprocity, and temporary practice.

(f) The real estate appraiser licensure and certification requirements established by the commission under this section must require a person to meet the standards for real estate appraiser certification and licensure established:

(1) under the federal act;

(2) by federal regulations; and

(3) under any other requirements established by the commission as recommended by the board, including requirements for education, experience, examination, reciprocity, and temporary practice.

(g) The commission may require continuing education as a condition of renewal for real estate appraiser licensure and certification.

(h) The following are not required to be a licensed or certified real estate appraiser to perform the requirements of IC 6-1.1-4:

(1) A county assessor.

(2) A township assessor.

(3) An employee of a county or township assessor.

(i) Notwithstanding IC 25-34.1-3-2(a):

(1) only a person who receives a license or certificate issued under the real estate appraiser licensure and certification program established under this section may appraise real estate involved in transactions governed by:

(A) the federal act; and

(B) any regulations adopted under the federal act;

as determined under rules adopted by the commission, as recommended by the board; and

(2) a person who receives a license or certificate issued under the real estate appraiser licensure and certification program established under this section may appraise real estate not involved in transactions governed by:

(A) the federal act; and

(B) any regulations adopted under the federal act;

as determined under rules adopted by the commission, as recommended by the board.

*As added by P.L.186-1990, SEC.12. Amended by P.L.183-1991, SEC.7; P.L.57-2007, SEC.3; P.L.146-2008, SEC.530.*

**IC 25-34.1-3-9 Repealed**

*(Repealed by P.L.57-2007, SEC.9.)*

**IC 25-34.1-3-9.5 Fees; real estate appraiser licensure and certification program**

Sec. 9.5. (a) The commission shall establish fees under IC 25-1-8-2 to implement section 8 of this chapter.

(b) Notwithstanding IC 25-1-8-2, a fee established under IC 25-1-8-2 to implement section 8 of this chapter may not be less than fifty dollars ($50).

(c) The commission shall establish fees to provide funding for the investigative fund established by IC 25-34.1-8-7.5. The fees under this subsection may not be more than twenty dollars ($20).

(d) The board may collect a fee required by federal law and transmit the fees to the federal government as required by federal law.
(e) A fee described in subsection (a) is in addition to any fees required by federal law.
*As added by P.L.57-2007, SEC.4.*

**IC 25-34.1-3-10 Inactive license requirements; continuing education; reactivation requirements**

Sec. 10. (a) A salesperson licensed under section 3.1 of this chapter or a broker licensed under section 4.1 of this chapter may apply for and receive an inactive license from the commission.
(b) An individual may not be granted an inactive license without the approval of the commission if a disciplinary or suspension hearing is pending against the individual.
(c) An individual with an inactive license:
(1) may not perform an act that requires a salesperson or broker's license;
(2) is not required to fulfill the continuing education requirements under IC 25-34.1-9;
(3) is required to pay any fees that a licensee is required to pay; and
(4) must fulfill the requirements under IC 25-34.1-9-11 for the current licensing period before applying for reactivation of the individual's license.
(d) Notwithstanding IC 25-34.1-9-11(2), the commission may adopt rules under IC 4-22-2 establishing continuing education requirements for individuals who have reactivated a license with less than twelve (12) months remaining in the licensing period.
*As added by P.L.120-1992, SEC.1. Amended by P.L.157-2006, SEC.73.*

**IC 25-34.1-3-11 Acts permitted by unlicensed out-of-state commercial broker; written consent**

Sec. 11. (a) An out-of-state commercial broker, for a fee, commission, or other valuable consideration, or in expectation, or upon the promise of receiving or collecting a fee, commission, or other valuable consideration, may perform acts with respect to commercial real estate that require a license under this article without a license under this article, if the out-of-state commercial broker does all of the following:
(1) Works in cooperation with a broker who holds a valid license issued under this article.
(2) Enters into a written agreement with the broker described in subdivision (1) that includes the terms of cooperation and compensation and a statement that the out-of-state commercial broker and the broker's agents will comply with the laws of this state.
(3) Furnishes the broker described in subdivision (1) with a copy of the out-of-state commercial broker's current certificate of good standing or other proof of a license in good standing from a jurisdiction where the out-of-state commercial broker maintains a valid real estate license.
(4) Files an irrevocable written consent with the commission that legal actions arising out of the conduct of the out-of-state commercial broker or the broker's agents may be commenced against the out-of-state commercial broker in a court with jurisdiction in a county in Indiana in which the cause of action accrues.
(5) Advertises in compliance with state law and includes the name of the broker described in subdivision (1) in all advertising.
(6) Deposits all escrow funds, security deposits, and other money received by either the out-of-state commercial broker or the broker described in subdivision (1) in a trust account maintained by the broker described in subdivision (1).
(7) Deposits all documentation required by this section and records and documents related to the transaction with the broker described in subdivision (1).
(b) The broker described in subsection (a)(1) shall retain the documentation that is provided by the out-of-state commercial broker as required under this section, and the records and documents related to a transaction, for at least five (5) years.
(c) An out-of-state commercial salesperson may perform acts with respect to commercial real estate that require a salesperson to be licensed under this article without a license under this article if the out-of-state commercial salesperson meets all of the following requirements:
(1) The out-of-state commercial salesperson:
(A) is licensed with and works under the direct supervision of the out-of-state commercial broker;
(B) provides the broker described in subsection (a)(1) with a copy of the out-of-state commercial salesperson's current certificate of good standing or other proof of a license in good standing from the jurisdiction where the out-of-state commercial salesperson maintains a valid real estate license in connection with the out-of-state commercial broker; and
(C) collects money, including:
(i) commissions;
(ii) deposits;
(iii) payments;
(iv) rentals; or
(v) escrow funds;
only in the name of and with the consent of the out-of-state commercial broker under whom the out-of-state commercial salesperson is licensed.
(2) The out-of-state commercial broker described in subdivision (1)(A) meets all of the requirements of subsection (a).
(d) A person licensed in a jurisdiction where there is not a legal distinction between a real estate broker license and a real estate salesperson license must meet the requirements of subsection (a) before engaging in an act that requires a license under this article.
(e) An out-of-state commercial broker or salesperson acting under this section shall file a written consent as provided in section 5(b) of this chapter.
*As added by P.L.64-2004, SEC.20.*

**IC 25-34.1-3-12 Criminal convictions**

Sec. 12. A licensee who is convicted of a crime (as defined in IC 33-23-1-4) shall send a copy of the:
(1) complaint or other information that describes the crime; and
(2) judgment of conviction;
to the commission not more than thirty (30) days after the date of the conviction.
*As added by P.L.87-2006, SEC.3.*

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## INDIANA CODE § 25-34.1-4

### Chapter 4. Principal Brokers

**IC 25-34.1-4-1 Responsibility for actions of associated salespersons and broker salespersons; maintenance of two or more separate offices; notice**

Sec. 1. A principal broker is responsible under this article for the actions of any associated salesperson and broker-salesperson. Any principal broker who maintains two (2) or more separate offices for associated licensees shall notify the commission of the name and address of the broker who manages each office.
*As added by Acts 1979, P.L.248, SEC.1.*

**IC 25-34.1-4-2 Partnership, corporate, or limited liability company broker to act only as principal broker; designation of responsible licensed individual broker**

Sec. 2. Except as provided in IC 23-1.5, a partnership broker, corporate broker, or limited liability company broker may act only as a

principal broker and shall designate to the commission a licensed individual broker, who is a partner or a corporate representative satisfying IC 25-34.1-3-4.1(c)(1) or a member-managed limited liability company member or a manager-managed limited liability company representative satisfying IC 25-34.1-3-4.1(d)(2), to be primarily responsible to the commission for its actions.
*As added by Acts 1979, P.L.248, SEC.1. Amended by P.L.128-1994, SEC.4; P.L.229-1995, SEC.7.*

**IC 25-34.1-4-3 Residency requirement for principal brokers; certain nonresidents may be principal brokers**

Sec. 3. (a) Except as provided in subsection (b), each individual who is a principal broker or is designated by a partnership, corporation, or a limited liability company pursuant to section 2 of this chapter shall be a resident of Indiana.

(b) A nonresident:

(1) individual broker; or

(2) individual designated by a partnership, corporation, or limited liability company under section 2 of this chapter;

may be a principal broker if all the licensees affiliated with the broker, partnership, corporation, or limited liability company are not residents of Indiana.
*As added by Acts 1979, P.L.248, SEC.1. Amended by P.L.128-1994, SEC.5; P.L.64-2004, SEC.21.*

**IC 25-34.1-4-4 Independent contractor relationship**

Sec. 4. Notwithstanding IC 23-1.5, the association of a salesperson or broker with a principal broker, as provided by this article, creates an independent contractor relationship unless otherwise specified by a written contract entered into by the principal broker and the associated salesperson or broker.
*As added by Acts 1979, P.L.248, SEC.1. Amended by P.L.229-1995, SEC.8.*

**IC 25-34.1-4-5 Trust accounts**

Sec. 5. (a) Each principal broker:

(1) shall keep in one (1) or more trust accounts (interest or noninterest bearing) all funds belonging to others that come into the possession of the principal broker or of any associated salesperson or broker-salesperson; and

(2) shall clearly identify any account containing those funds as a trust account. The trust accounts shall contain all earnest money deposits, funds held for closing escrows, sale proceeds not yet disbursed, and all other funds belonging to others.

(b) The principal broker shall not use any trust account for the deposit of any personal funds or other business funds and shall keep a detailed record of the funds and any interest accrued in each trust account that identifies the amount of funds held for each beneficiary. Any interest earned shall be held for the beneficiary.

(c) Upon the death or termination of a principal broker or the expiration, revocation, or suspension of the principal broker's license, the commission shall take custody of each trust account and may appoint a successor trustee to protect and distribute the proceeds of that account.
*As added by Acts 1979, P.L.248, SEC.1. Amended by P.L.255-1987, SEC.5; P.L.114-2010, SEC.22.*

**IC 25-34.1-4-6 Death of individual principal broker or termination of partnership principal broker by death of partner**

Sec. 6. (a) In the event of the death of an individual principal broker or the termination of a partnership principal broker by the death of a partner, a salesperson formerly associated with that principal broker may continue to carry out business contracted for before the death or termination of the principal broker, for a maximum period of ninety (90) days after the death or termination. During that period, the salesperson shall maintain a trust account as provided in section 5 of this chapter. However, until associating with another principal broker the salesperson may not undertake any new business.

(b) Upon associating with a new principal broker, the salesperson may conduct on behalf of the deceased or terminated principal broker only that business which is necessary to complete obligations assumed while associated with that principal broker. All other acts performed by the salesperson shall be performed in association with the new principal broker.

(c) Each broker-salesperson formerly associated with the deceased or terminated principal broker becomes, upon the death or termination of the principal broker, a principal broker until the broker elects to act as a broker-salesperson for another principal broker.

(d) This section applies only to matters of licensing and responsibility under this article and does not affect the transfer of the deceased principal broker's property interests as provided by IC 29 and other laws of succession.
*As added by Acts 1979, P.L.248, SEC.1.*

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## INDIANA CODE § 25-34.1-5

### Chapter 5. Educational Courses

**IC 25-34.1-5-1 Approval by commission**

Sec. 1. No person shall conduct, solicit or accept student enrollment for a broker or salesperson course as prescribed in this chapter without approval of the course by the commission.
*As added by Acts 1979, P.L.248, SEC.1.*

**IC 25-34.1-5-2 Application for approval**

Sec. 2. To obtain course approval, a person must apply to the commission by submitting a bond in the amount of ten thousand dollars ($10,000) and an application which includes a copy of the accreditation certificate issued by the appropriate accreditation body, if any, a detailed teaching syllabus, a proposed certificate to be issued to students who successfully complete the course, and other information and documents which may be required by the commission. If the course is to be conducted by a corporation, the application shall also include the names and residence addresses of all directors and officers, a copy of the certificate of incorporation, and a certificate of good standing of the corporation issued by the secretary of state of Indiana.
*As added by Acts 1979, P.L.248, SEC.1.*

**IC 25-34.1-5-3 Bond; obligee; requirements; liability; continuity; cancellation**

Sec. 3. (a) The commission shall be the obligee under the bond.

(b) The bond shall be:

(1) executed by the person seeking course approval and by a corporate surety, licensed to do business in the state, as surety;

(2) in such form and with such terms and conditions as the commission may require;

(3) conditioned upon faithful compliance with all requirements of an approved course as provided by this article and the commission's regulations; and

(4) effective from its effective date and continue in effect until cancelled.

The total and aggregate liability of the surety on a bond is limited to the amount specified in the bond and the continuous nature of the bond may in no event be construed as allowing the liability of the surety under a bond to accumulate for each successive approval period during which the bond is in force.

(c) To provide continuous bonding of the school's activities, a school providing an approved course may not cancel a bond without the

commission's prior written approval of cancellation and approval of a substitute bond.

(d) The surety on a bond may cancel a bond filed under this article only after ninety (90) days from the date the surety mails a notice of intent to cancel, by registered or certified mail with return receipt requested, to the commission and to the school.

(e) To provide continuous bond coverage of the school's activities, the school shall give written notice to the commission, not later than thirty (30) days prior to the date upon which a bond cancellation becomes effective, that a new bond has been obtained.

*As added by Acts 1979, P.L.248, SEC.1.*

**IC 25-34.1-5-4 Grounds for approval of broker or salesperson course**

Sec. 4. (a) To obtain approval of a broker or salesperson course, a school shall:

(1) provide the curriculum prescribed in section 5 of this chapter;
(2) have no more than thirty-five (35) students per instructor per classroom;
(3) provide adequate educational facilities and supportive personnel as is necessary to implement the purpose of this article;
(4) schedule not more than the maximum number of hours of instruction established by the commission in any twenty-four (24) hour period;
(5) administer two (2) written examinations during the broker course and three (3) written examinations during the salesperson course which are approved, and passing scores established, by the commission;
(6) within fourteen (14) days of the end of each course, submit to the commission the names and addresses of those students who successfully complete the course;
(7) maintain records of students who successfully complete and pass the course of study for a minimum of five (5) years or, in the event the school should cease operation, the owner shall provide a custodian acceptable to the commission to keep those records and provide copies to students at the fee in effect when the school ceases operation; and
(8) meet any other standards the commission may establish by regulation.

(b) Any instruction conducted in a broker or salesperson office does not apply to the minimum hour requirements of section 5 of this chapter.

*As added by Acts 1979, P.L.248, SEC.1.*

**IC 25-34.1-5-5 Curriculum**

Sec. 5. (a) The required curriculum for salespersons shall consist of a total of at least forty (40) hours of instruction and shall include the following subjects: Indiana license law and professional standards, law of agency, contracts, interests in real property, evidence of title, deeds, legal property descriptions, mathematics, taxes, valuation of real property, financing, listing contracts and purchase agreements, settlement procedures, property management, government regulations, and planning and zoning.

(b) The required curriculum for brokers shall consist of a total of at least twenty-four (24) hours of instruction and shall include the following subjects: Indiana license law and professional standards, law of agency, contracts, financing, settlement procedures, escrow responsibility, recordkeeping, government regulations, and appraising.

*As added by Acts 1979, P.L.248, SEC.1.*

**IC 25-34.1-5-6 Commission's considerations; factors**

Sec. 6. In determining whether to grant approval of the curriculum, the commission shall consider, in addition to the requirements of sections 4 and 5 of this chapter, the following factors: accreditation, administration, ownership, instructors' qualifications, director's qualifications, course records, textbooks and related materials, cost of tuition and materials, and other means of evaluation as the commission establishes by regulation.

*As added by Acts 1979, P.L.248, SEC.1.*

**IC 25-34.1-5-7 Expiration of approval; renewal**

Sec. 7. The approval of courses expires on the thirty-first day of December of each calendar year. To obtain renewal of approval for the ensuing calendar year, the school must submit to the commission by November 30 of the current year:

(1) a letter requesting renewal;
(2) an annual report; and
(3) a bond in the amount of twenty percent (20%) of the previous year's total tuition, but in no event less than ten thousand dollars ($10,000) or more than fifty thousand dollars ($50,000).

*As added by Acts 1979, P.L.248, SEC.1.*

**IC 25-34.1-5-8 Inspection of records and facilities**

Sec. 8. Each school conducting an approved course shall allow the commission to inspect its records and facilities. Each school shall report any significant proposed change in curriculum, faculty, or facilities to the commission at least thirty (30) days before the change, if possible. No change is effective unless it is approved by the commission.

*As added by Acts 1979, P.L.248, SEC.1.*

**IC 25-34.1-5-9 Denial, suspension, or revocation of approval**

Sec. 9. The commission may deny, suspend, or revoke approval of any course if it determines the school failed to comply with the standards established in this chapter and the commission's regulations.

*As added by Acts 1979, P.L.248, SEC.1.*

**IC 25-34.1-5-10 Prohibited advertising**

Sec. 10. A school may not advertise that it or its course is endorsed, recommended, or accredited by the commission.

*As added by Acts 1979, P.L.248, SEC.1.*

**IC 25-34.1-5-11 Additional fees for review class prohibited**

Sec. 11. Schools conducting approved courses may not charge an additional fee for any review class.

*As added by Acts 1979, P.L.248, SEC.1.*

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## INDIANA CODE § 25-34.1-6

### Chapter 6. Enforcement

**IC 25-34.1-6-1 Repealed**

(*Repealed by Acts 1981, P.L.222, SEC.296.)*

**IC 25-34.1-6-1.1 Repealed**

(*Repealed by P.L.214-1993, SEC.91.)*

**IC 25-34.1-6-2 Class B infraction; fines; cease and desist orders; injunctions; complaints; supplemental procedures**

Sec. 2. (a) A person who:

(1) performs the acts of a salesperson without a salesperson license;
(2) performs the acts of a broker without a broker license; or
(3) conducts, or solicits or accepts enrollment of students for, a course as prescribed in IC 25-34.1-3 without course approval;

commits a Class A infraction. Upon conviction for an offense under this section, the court shall add to any fine imposed, the amount of any fee or other compensation earned in the commission of the offense. Each transaction constitutes a separate offense.

(b) In all actions for the collection of a fee or other compensation for performing acts regulated by this article, it must be alleged and proved that, at the time the cause of action arose, the party seeking relief was not in violation of this section.

(c) Each enforcement procedure established in this section and IC 25-1-7-14 is supplemental to other enforcement procedures established in this section.

*As added by Acts 1979, P.L.248, SEC.1. Amended by P.L.214-1993, SEC.84; P.L.84-2010, SEC.71.*

**IC 25-34.1-6-2.5**

Sec. 2.5. (a) A violation of:

(1) IC 24-5-15; or

(2) IC 24-5.5;

by a person licensed or required to be licensed under this article is a violation of this article.

(b) A person who commits a violation described in subsection (a) commits a Class A infraction and is subject to:

(1) the enforcement procedures described in section 2 of this chapter; and

(2) any sanction that may be imposed by the commission under IC 25-1-11-12.

*As added by P.L.52-2009, SEC.12; P.L.105-2009, SEC.15; Amended by P.L.114-2010, SEC.23.*

**IC 25-34.1-6-3 Criminal conviction; discipline**

Sec. 3. A licensee who is convicted of a crime that substantially relates to the practice of real estate may be disciplined under IC 25-1-11. A certified copy of a judgment of conviction from a court is presumptive evidence of a conviction for purposes of this section.

*As added by P.L.87-2006, SEC.4. Amended by P.L.1-2007, SEC.180.*

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## INDIANA CODE § 25-34.1-7

### Chapter 7. Real Estate Recovery Fund

**IC 25-34.1-7-1 Establishment of fund; administration; investments**

Sec. 1. (a) The real estate recovery fund is established for the purpose set out in this chapter. The fund shall be administered by the real estate commission.

(b) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the fund.

(c) Money in the fund at the end of a state fiscal year does not revert to the state general fund, except as provided in section 2.1 of this chapter.

*As added by P.L.255-1987, SEC.6. Amended by P.L.143-1990, SEC.9.*

**IC 25-34.1-7-2 Surcharge; formula; assessment; application of section**

Sec. 2. (a) If the total amount in the real estate recovery fund (including principal and interest) is less than four hundred fifty thousand dollars ($450,000) on June 30 in an odd-numbered year after the payment of all claims and expenses, the real estate commission shall assess a surcharge according to the following formula in order to maintain the fund at an approximate level of six hundred thousand dollars ($600,000):

STEP ONE: Determine the amount remaining in the fund on June 30 of the current year after all expenses and claims have been paid.

STEP TWO: Subtract the amount determined under STEP ONE from six hundred thousand dollars ($600,000).

STEP THREE: Determine the number of licensees who had licenses in effect on June 30 of the current year.

STEP FOUR: Divide the number determined under STEP TWO by the number determined under STEP THREE.

(b) The real estate commission shall assess the surcharge described in subsection (a) against each licensee who:

(1) receives an initial license; or

(2) receives a renewal license.

(c) The real estate commission shall assess the surcharge described in subsection (a) for the two (2) year period beginning on July 1 of the current year through June 30 of the next odd-numbered year.

(d) The surcharge assessed under this section is in addition to any other fee under this article.

(e) This section does not apply to a person who:

(1) receives an initial license or certificate; or

(2) receives a renewal license or certificate;

under the real estate appraiser licensure and certification program established under IC 25-34.1-3-8.

*As added by P.L.255-1987, SEC.6. Amended by P.L.143-1990, SEC.10; P.L.183-1991, SEC.9.*

**IC 25-34.1-7-2.1 Reversion of excess funds**

Sec. 2.1. If the total amount in the real estate recovery fund (including principal and interest) exceeds seven hundred fifty thousand dollars ($750,000) at the end of a state fiscal year after the payment of all claims and expenses, the amount in excess of seven hundred fifty thousand dollars ($750,000) reverts to the state general fund.

*As added by P.L.143-1990, SEC.11.*

**IC 25-34.1-7-3 Interest on investments; payment of expenses**

Sec. 3. Any interest earned on investment of money in the real estate recovery fund shall be credited at least annually to the fund. No money may be appropriated from the general fund for payment of any expenses incurred under this chapter, and none of these expenses may be charged against the state.

*As added by P.L.255-1987, SEC.6.*

**IC 25-34.1-7-4 Applications for order directing payment out of fund; amount of loss; limitation on recovery**

Sec. 4. (a) If any aggrieved person obtains a final judgment in any court against a licensee to recover damages for any act of:

(1) embezzlement of money or property; or

(2) unlawfully obtaining money or property by false pretenses, use of a device, trickery, or forgery;

that results in an actual cash loss to the aggrieved person (as opposed to loss in market value), the person may, upon termination of all proceedings including appeals and proceedings supplemental to judgment for collection purposes, file a verified application in the court in which the judgment was entered for an order directing payment out of the real estate recovery fund of the amount of actual and direct loss in the transaction that remains unpaid upon the judgment. The amount of actual and direct loss may include court costs but may not include attorney's fees or punitive damages awarded. The amount that may be paid from the real estate recovery fund may not exceed twenty thousand dollars ($20,000) per judgment and an aggregate lifetime limit of fifty thousand dollars ($50,000) with respect to any one (1) licensee.

(b) This section applies only to a final judgment that awards damages for an act by the licensee described in subsections (a)(1) through (a)(2) that arises directly out of any transaction:

(1) that occurred when the licensee was licensed;

(2) for which a license was required under IC 25-34.1; and

(3) that occurred after December 31, 1987.

*As added by P.L.255-1987, SEC.6.*

**IC 25-34.1-7-5 Claims against single licensee in excess of dollar limitation; distribution; joinder of claims; payment; insufficient funds**

Sec. 5. (a) If the payment in full of two (2) or more pending valid claims that have been filed by aggrieved persons against a single licensee would exceed the fifty thousand dollar ($50,000) limit set forth in section 4 of this chapter, the fifty thousand dollars ($50,000) shall be distributed among the aggrieved persons in the ratio that their respective claims bear to the aggregate of all valid claims or in any other manner that a court of record may determine equitable. This money shall be distributed among the persons entitled to share in it without regard to the order of priority in which their respective judgments have been obtained or their claims have been filed.

(b) Upon petition of the commission, the court may require all claimants and prospective claimants against one (1) licensee to be joined in one (1) action, to the end that the respective rights of all the claimants to the commission may be equitably adjudicated and settled.

(c) On June 30 and December 31 of each year, the real estate commission shall identify each claim that the court orders to be paid during the six (6) month period that ended on that day. The commission shall pay the part of each claim that is so identified within fifteen (15) days after the end of the six (6) month period in which the claim is ordered paid. However, if the balance in the fund is insufficient to pay the full payable amount of each claim that is ordered to be paid during a six (6) month period, the commission shall pay a prorated portion of each claim that is ordered to be paid during the period. Any part of the payable amount of a claim left unpaid due to the prorating of payments under this subsection must be paid (subject to the fifty thousand dollar ($50,000) limit described in section 4 of this chapter) before the payment of claims ordered to be paid during the following six (6) month period.

*As added by P.L.255-1987, SEC.6.*

**IC 25-34.1-7-6 Agent for service of process**

Sec. 6. Any broker or salesperson who is licensed or renews a license under this article after December 31, 1987, and upon whom personal service cannot be made with reasonable diligence shall be considered to have appointed the commission as the licensee's agent for service of process for purposes of actions filed under section 4 of this chapter for recovery from the real estate recovery fund. Service of process under this section shall be made as nearly as practicable in the manner prescribed by the Indiana Rules of Trial Procedure for service on corporations.

*As added by P.L.255-1987, SEC.6.*

**IC 25-34.1-7-7 Limitation of actions; notice of commencement of action**

Sec. 7. An order for payment from the real estate recovery fund may not be issued unless the action to recover from the real estate recovery fund was commenced within one (1) year after the termination of all proceedings against the licensee for embezzlement of money or property, or unlawfully obtaining money or property by false pretenses, use of a device, trickery, or forgery, including appeals and proceedings supplemental to judgment. When any person commences an action for a judgment that may result in an order for payment from the fund, the person shall notify the commission in writing of the commencement of the action.

*As added by P.L.255-1987, SEC.6.*

**IC 25-34.1-7-8 Commission as defendant; hearings; orders directing payment**

Sec. 8. When any person files an application for an order directing payment from the real estate recovery fund, the commission shall be made a party defendant to the proceedings. The court shall conduct a hearing on the application, and it may issue an order directing payment out of the real estate recovery fund, as provided in section 9 of this chapter, subject to the limitation of section 4 of this chapter, if the court finds:

(1) that there is no collusion between the judgment creditor and the judgment debtor;

(2) that the judgment creditor is making application not more than one (1) year after the termination of all proceedings in connection with the judgment, including appeals and proceedings supplemental to judgment for collection purposes;

(3) that the judgment creditor has caused to be issued a writ of execution on the judgment and the officer executing the writ has made a return showing that no personal or real property of the judgment debtor liable to be levied upon in satisfaction of the judgment could be found or that the amount realized on the sale under the execution was insufficient to satisfy the judgment;

(4) that the judgment creditor has diligently pursued the creditor's remedies against all the judgment debtors and all other persons liable to the creditor in the transaction for which the creditor seeks recovery from the real estate recovery fund;

(5) that the embezzlement of money or property, or the unlawfully obtaining of money or property by false pretenses, use of a device, trickery, or forgery, arose directly out of a transaction that occurred when the judgment debtor was licensed and acted in a capacity for which a license is required under this article and that the transaction occurred after December 31, 1987; and

(6) that, in the event of a default judgment or a judgment entered upon stipulation of the parties, the judgment debtor's acts constituted embezzlement of money or property, or the unlawful obtaining of money or property by false pretenses, use of a device, trickery, or forgery.

*As added by P.L.255-1987, SEC.6.*

**IC 25-34.1-7-9 Payment of claims**

Sec. 9. Upon a final order of the court directing that payment be made out of the real estate recovery fund, the commission shall, subject to sections 4 through 5 of this chapter, make the payment out of the real estate recovery fund as provided in section 5 of this chapter.

*As added by P.L.255-1987, SEC.6.*

**IC 25-34.1-7-10 Suspension of judgment debtor's license; repayment of fund; interest**

Sec. 10. If the commission is required to make any payment from the real estate recovery fund in settlement of a claim or toward the satisfaction of a judgment under this chapter, the commission shall suspend the judgment debtor's license and, if the judgment debtor is licensed under IC 25-34.1-3-3.1, the license of the individual designated broker, under this article. The licensee is not eligible to be licensed again as either a broker or a salesperson until the licensee has repaid in full the amount paid from the real estate recovery fund with interest of twelve percent (12%) per annum.

*As added by P.L.255-1987, SEC.6.*

**IC 25-34.1-7-11 Subrogation**

Sec. 11. When upon order of any court, the commission has caused payment to be made from the real estate recovery fund to a judgment creditor, the commission is subrogated to the rights of the judgment creditor with respect to the amount paid.

*As added by P.L.255-1987, SEC.6.*

**IC 25-34.1-7-12 Expenditure of interest**

Sec. 12. Subject to the approval of the budget agency, the real estate commission may expend the interest earned by the real estate recovery fund for:

(1) information concerning the commission's activities and administrative rulings;
(2) other educational information concerning the real estate industry; and
(3) expenses related to the continuing education program under IC 25-34.1-9.
*As added by P.L.255-1987, SEC.6. Amended by P.L.120-1992, SEC.2.*

**IC 25-34.1-7-13 Attorney general; assistance; expenses**
Sec. 13. (a) The office of the attorney general shall provide the staff assistance necessary to:
(1) enable the real estate commission to perform its duties under this chapter; and
(2) enforce this chapter.
(b) Expenses incurred by the office of the attorney general under this section shall be paid from the real estate recovery fund.
*As added by P.L.255-1987, SEC.6.*

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## INDIANA CODE § 25-34.1-8

### Chapter 8. Real Estate Appraiser Certification Board

**IC 25-34.1-8-1 Creation of board**
Sec. 1. The real estate appraiser licensure and certification board is created.
*As added by P.L.186-1990, SEC.14. Amended by P.L.183-1991, SEC.10.*

**IC 25-34.1-8-2 Qualification of members; appointment**
Sec. 2. (a) The board consists of seven (7) members appointed by the governor as follows:
(1) Five (5) members who are real estate appraisers:
(A) who are licensed or certified under this article;
(B) who have at least five (5) years experience as real estate appraisers; and
(C) at least three (3) of whom are certified appraisers.
(2) One (1) representative who represents lenders qualified to:
(A) make Federal Housing Administration insured loans and Veterans Administration guaranteed loans; and
(B) sell loans to the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.
(3) One (1) member who is not associated with the real estate business in any way other than as a consumer.
(b) When making appointments under subsection (a), the governor shall consider the geographic areas represented on the board.
*As added by P.L.186-1990, SEC.14. Amended by P.L.183-1991, SEC.11.*

**IC 25-34.1-8-3 Term**
Sec. 3. Each board member serves for a term of four (4) years.
*As added by P.L.186-1990, SEC.14.*

**IC 25-34.1-8-3.5 Officers**
Sec. 3.5. (a) The board shall annually elect one (1) of its members to be the chair and another member to be the vice chair.
(b) A member of the board who serves as chair or vice chair serves until a successor is elected.
(c) A member who serves as chair or vice chair may serve not more than two (2) consecutive terms in that capacity.
(d) The chair shall preside at all of the board's meetings.
(e) The vice chair shall:
(1) preside at meetings in the absence of the chair; and
(2) perform other duties as directed by the chair.
*As added by P.L.236-1995, SEC.51.*

**IC 25-34.1-8-4 Quorum**
Sec. 4. (a) The board must have a quorum to transact business.
(b) Four (4) members of the board constitute a quorum.
*As added by P.L.186-1990, SEC.14.*

**IC 25-34.1-8-5 Majority vote**
Sec. 5. The affirmative vote of four (4) members of the board is required for the board to take action.
*As added by P.L.186-1990, SEC.14.*

**IC 25-34.1-8-6 Repealed**
*(Repealed by P.L.57-2007, SEC.9.)*

**IC 25-34.1-8-6.5 Recommendations to commission; implementation and operation of program; fee; rules**
Sec. 6.5. The board shall submit recommendations to the commission concerning the following:
(1) Implementation and operation of the real estate appraiser licensure and certification program under IC 25-34.1-3-8.
(2) Rules governing real estate appraisers licensed and certified under IC 25-34.1-3-8.
(3) Establishing a fee in an amount necessary to fund the investigative fund established by section 7.5 of this chapter but not more than twenty dollars ($20).
(4) Rules governing the administration of the investigative fund established by section 7.5 of this chapter.
*As added by P.L.57-2007, SEC.5.*

**IC 25-34.1-8-7 Approval of applications; issuance of licenses and certificates**
Sec. 7. The board shall do the following:
(1) Approve and disapprove applications for licensure and certification.
(2) Issue licenses and certificates.
*As added by P.L.186-1990, SEC.14. Amended by P.L.183-1991, SEC.13.*

**IC 25-34.1-8-7.5 Investigative fund; administration by attorney general and professional licensing agency**
Sec. 7.5. (a) The investigative fund is established to provide funds for administering and enforcing the provisions of this article, including investigating and taking enforcement action against real estate fraud and real estate appraisal fraud. The fund shall be administered by the attorney general and the professional licensing agency.
(b) The expenses of administering the fund shall be paid from the money in the fund. The fund consists of:
(1) money from a fee imposed upon licensed or certified appraisers and real estate brokers and salespersons under IC 25-34.1-2-7 and IC 25-34.1-3-9.5; and
(2) civil penalties deposited in the fund under IC 24-5-23.5-9(d).
(3) registration fees imposed on appraisal management companies under IC 25-34.1-11-15; and
(4) civil penalties deposited under IC 25-34.1-11-17.
(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested.
(d) Except as otherwise provided in this subsection, money in the fund at the end of a state fiscal year does not revert to the state general fund. If the total amount in the investigative fund exceeds seven hundred fifty thousand dollars ($750,000) at the end of a state fiscal year after payment of all claims and expenses, the amount that exceeds seven

hundred fifty thousand dollars ($750,000) reverts to the state general fund.

(e) Money in the fund is continually appropriated for use by the attorney general and the licensing agency to administer and enforce the provisions of this article and to conduct investigations and take enforcement action against real estate and appraisal fraud under this article. The attorney general shall receive five dollars ($5) of each fee collected under IC 25-34.1-2-7 and IC 25-34.1-3-9.5, and the licensing agency shall receive any amount that exceeds five dollars ($5) of each fee collected under IC 25-34.1-2-7 and IC 25-34.1-3-9.5.

*As added by P.L.145-2003, SEC.12. Amended by P.L.87-2006, SEC.6; P.L.57-2007, SEC.6; P.L.52-2009, SEC.13; P.L.77-2010, SEC.1.*

**IC 25-34.1-8-7.7 Memorandum of understanding**

Sec. 7.7. (a) The attorney general and the licensing agency shall enter into a memorandum of understanding to administer and enforce this article.

(b) The attorney general and the licensing agency shall present the memorandum of understanding annually to the commission for review.

*As added by P.L.87-2006, SEC.7.*

**IC 25-34.1-8-8 Repealed**

(*Repealed by P.L.183-1991, SEC.19.)*

**IC 25-34.1-8-9 Per diem; travel and other expenses**

Sec. 9. Each member of the board who is not a state employee is entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). Each member of the board is entitled to reimbursement for travel expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the department of administration and approved by the budget agency.

*As added by P.L.186-1990, SEC.14. Amended by P.L.3-2008, SEC.203.*

**IC 25-34.1-8-10 Qualification of applicants**

Sec. 10. (a) To be licensed or certified as a real estate appraiser, an individual must meet the following conditions:

(1) Not have a conviction for any of the following:

(A) An act that would constitute a ground for disciplinary sanction under IC 25-1-11.

(B) A crime that has a direct bearing on the individual's ability to practice competently.

(C) Fraud or material deception in the course of professional services or activities.

(D) A crime that indicates the individual has the propensity to endanger the public.

(2) Have satisfied the requirements established under IC 25-34.1-3-8(f).

(b) After December 31, 2008, the board shall require each applicant for initial licensure or certification under this chapter to submit fingerprints for a national criminal history background check (as defined in IC 10-13-3-12) by the Federal Bureau of Investigation, for use by the board in determining whether the applicant should be denied licensure or certification under this chapter for any reason set forth in subsection (a)(1). The applicant shall pay any fees or costs associated with the fingerprints and background check required under this subsection. The board may not release the results of a background check described in this subsection to any private entity.

(c) The board may request evidence of compliance with this section in accordance with subsection (d). Evidence of compliance with this section may include any of the following:

(1) Subject to subsections (b) and (d)(2), criminal background checks, including a national criminal history background check (as defined in IC 10-13-3-12) by the Federal Bureau of Investigation.

(2) Credit histories.

(3) Other background checks considered necessary by the board.

(d) The board may request evidence of compliance with this section at any of the following times:

(1) The time of application for an initial license or certificate.

(2) The time of renewal of a license or certificate.

(3) Any other time considered necessary by the board.

(e) The commission, upon recommendation of the board, shall adopt rules under IC 4-22-2 to implement this section.

*As added by P.L.183-1991, SEC.14. Amended by P.L.214-1993, SEC.85; P.L.182-1996, SEC.3; P.L.145-2008, SEC.30.*

**IC 25-34.1-8-11 Repealed**

(*Repealed by P.L.214-1993, SEC.91.)*

**IC 25-34.1-8-12 Real estate appraisal practice or education without license or certification; injunctions; enforcement**

Sec. 12. (a) A person who:

(1) performs:

(A) the acts of a licensed real estate appraiser without a license; or

(B) the acts of a certified real estate appraiser without a certificate; or

(2) conducts or solicits or accepts enrollment of students for a course without course approval as required by section 13 of this chapter;

commits a Class B infraction. When a judgment is entered for an offense under this section, the court shall add to any fine imposed the amount of any fee or other compensation earned in the commission of the offense. Each transaction constitutes a separate offense.

(b) In all actions for the collection of a fee or other compensation for performing acts regulated by this article, a party seeking relief must allege and prove that at the time the cause of action arose the party was not in violation of this section.

(c) The attorney general, the board, or the prosecuting attorney of any county in which a violation occurs may maintain an action in the name of the state of Indiana to enjoin a person from violating this section.

(d) In charging any person in a complaint for a judgment or an injunction for the violation of this section, it is sufficient, without averring any further or more particular facts, to charge that the person upon a certain day and in a certain county:

(1) acted as:

(A) a certified real estate appraiser without a certificate; or

(B) a licensed real estate appraiser without a license; or

(2) conducted, or solicited or accepted enrollment of students for a real estate appraiser course without course approval.

(e) Each enforcement procedure established in this section is supplemental to other enforcement procedures established in this section.

*As added by P.L.183-1991, SEC.16. Amended by P.L.57-2007; SEC.7; P.L.3-2008, SEC.204.*

**IC 25-34.1-8-13 Real estate appraiser courses; approval**

Sec. 13. (a) A person may not conduct, solicit, or accept student enrollment for a real estate appraiser course represented as satisfying the requirements of the board without approval of the course by the Appraiser Qualifications Board, under the regulatory oversight of the Appraisal Subcommittee established under Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (12 U.S.C. 3331 et seq.).

*As added by P.L.183-1991, SEC.17. Amended by P.L.57-2007, SEC.8.*

**IC 25-34.1-8-14 Repealed**

*(Repealed by P.L.57-2007, SEC.9.)*

**IC 25-34.1-8-15 Use of investigative fund**

Sec. 15. The office of the attorney general and the professional licensing agency may use the investigative fund established by section 7.5 of this chapter to hire investigators and other employees to administer and enforce the provisions of this article and to investigate and prosecute real estate fraud and real estate appraisal fraud.
*As added by P.L.145-2003, SEC.13.*

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## INDIANA CODE § 25-34.1-9

### Chapter 9. Continuing Education

**IC 25-34.1-9-1 "Council" defined**

Sec. 1. As used in this chapter, "council" refers to the real estate education advisory council established by this chapter.
*As added by P.L.120-1992, SEC.3.*

**IC 25-34.1-9-2 Real estate education advisory council; establishment**

Sec. 2. The real estate education advisory council is established.
*As added by P.L.120-1992, SEC.3.*

**IC 25-34.1-9-3 Membership**

Sec. 3. (a) The council consists of the following members appointed by the commission:

(1) Three (3) members who represent residential real estate sales practitioners.
(2) Three (3) members who represent other segments and specialties of the real estate industry besides residential real estate sales practitioners.
(3) One (1) member who represents real estate education.

(b) The commission shall appoint members from different geographic areas of Indiana. Six (6) members of the council must be members of Indiana real estate trade organizations.
*As added by P.L.120-1992, SEC.3.*

**IC 25-34.1-9-4 Term of office**

Sec. 4. Each member of the council shall be appointed by the commission for a two (2) year term. If a successor has not been appointed, the current member serves until a successor is appointed and qualified.
*As added by P.L.120-1992, SEC.3.*

**IC 25-34.1-9-5 Vacancies**

Sec. 5. If a vacancy occurs on the council, the commission shall appoint an individual to serve the unexpired term of the previous member and until a successor is appointed and qualified.
*As added by P.L.120-1992, SEC.3.*

**IC 25-34.1-9-6 Removal for cause**

Sec. 6. The commission may remove a member of the council for cause.
*As added by P.L.120-1992, SEC.3.*

**IC 25-34.1-9-7 Chair and vice chair**

Sec. 7. The council shall elect from the council's membership a chairman and a vice chairman.
*As added by P.L.120-1992, SEC.3.*

**IC 25-34.1-9-8 Meetings**

Sec. 8. The council shall meet upon the call of the chairman or at the request of the commission. The chairman shall establish the time and place of all meetings.
*As added by P.L.120-1992, SEC.3.*

**IC 25-34.1-9-9 Implementation and courses under this chapter**

Sec. 9. The council shall make recommendations to the commission concerning the following:

(1) Requirements for sponsors of courses under this chapter.
(2) Requirements for instructors to be used by sponsors in providing courses under this chapter.
(3) Requirements for the curricula in providing courses under this chapter.
(4) Rules to implement this chapter.
(5) Other issues identified by the commission to implement this chapter.

*As added by P.L.120-1992, SEC.3.*

**IC 25-34.1-9-10 Completion of approved education requirement; exception**

Sec. 10. Except for an individual who has been granted an inactive license under IC 25-34.1-3-10, an individual who is licensed as a real estate broker under IC 25-34.1-3-4.1 or a salesperson under IC 25-34.1-3-3.1 must complete the approved education requirement before the end of each renewal period.
*As added by P.L.120-1992, SEC.3.*

**IC 25-34.1-9-11 Approved education requirement**

Sec. 11. (a) The approved education requirement is as follows:

(1) At least six (6) hours in any of the following subjects as determined by the commission:
  (A) License and escrow law.
  (B) Anti-trust law.
  (C) Civil rights law.
  (D) Agency law.
  (E) Listing contracts and purchase agreements.
  (F) Ethics and professionals standards.
  (G) Settlement procedures.
  (H) Other courses approved by the commission.
(2) At least ten (10) hours of course work in any of the following subjects as determined by the commission:
  (A) Appraising.
  (B) Property management.
  (C) Farm property management.
  (D) Commercial brokerage and leasing.
  (E) Financing.
  (F) Residential brokerage.
  (G) Land development.
  (H) Legislative issues affecting the real estate practice.
  (I) Other courses approved by the commission.

(b) An attorney in good standing licensed to practice law in Indiana may satisfy the requirements of subsection (a) by completing the number of hours required by subsection (a) in continuing legal education courses in the subject matters listed in subsection (a).
*As added by P.L.120-1992, SEC.3. Amended by P.L.182-1996, SEC.4.*

**IC 25-34.1-9-12 Course sponsor; approval requirements**

Sec. 12. To obtain approval as a continuing education course sponsor, the sponsor must do the following:

(1) Provide the commission information on courses, curriculum, and facilities as determined by the commission.
(2) Limit the number of credit hours that may be offered in a twenty-four (24) hour period for the course to a number not more than the amount established by the commission by rule.
(3) Provide each participant who successfully completes an approved course a certificate that contains the following:
  (A) The name of the participant.

(B) The name, address, and signature of the sponsor.
(C) The number of approved credit hours.
(D) The date of the program.
(E) Any other information required by the commission.
(4) Pay a fee determined by the commission.
(5) Meet any standard that the commission adopts by rule.
*As added by P.L.120-1992, SEC.3.*

**IC 25-34.1-9-13 Approved sponsor; records**
Sec. 13. A continuing education sponsor that has received approval under section 12 of this chapter must maintain records for five (5) years of the participants who successfully complete and pass the course. If the sponsor ceases operations, the owner shall place the records in the care of a custodian that is approved by the commission.
*As added by P.L.120-1992, SEC.3.*

**IC 25-34.1-9-14 Expiration of sponsor approval; renewal requirements**
Sec. 14. (a) The approval for a sponsor for:
(1) a salesperson's course expires December 31 each odd-numbered year; and
(2) a broker's course expires December 31 each even-numbered year.
(b) A sponsor must submit:
(1) a letter requesting renewal of approval; and
(2) the renewal fee;
at least thirty (30) days before a sponsor's approval expires.
*As added by P.L.120-1992, SEC.3.*

**IC 25-34.1-9-15 Inspection; approved sponsor records and facilities**
Sec. 15. The commission may inspect an approved sponsor's records and facilities.
*As added by P.L.120-1992, SEC.3.*

**IC 25-34.1-9-16 Advertising sponsor or course**
Sec. 16. (a) A person may advertise that the sponsor or the sponsor's course is approved by the commission and fulfills the requirements of the commission.
(b) A person may not advertise that the sponsor or the sponsor's course is required or recommended by the commission.
*As added by P.L.120-1992, SEC.3.*

**IC 25-34.1-9-17 Renewal period; licensee exemption from continuing education requirement**
Sec. 17. A licensee who is initially licensed in the second year of a renewal period is exempt from the continuing education requirements under this chapter for that renewal period.
*As added by P.L.120-1992, SEC.3.*

**IC 25-34.1-9-18 Application for renewal; certification requirements**
Sec. 18. An applicant for renewal must certify on the application that the applicant:
(1) has complied with the continuing education requirements;
(2) is exempt from the continuing education requirement because the individual has been licensed for less than one (1) year; or
(3) has not complied with the continuing education requirements but is seeking a waiver under section 19 of this chapter.
*As added by P.L.120-1992, SEC.3.*

**IC 25-34.1-9-19 Waiver conditions; continuing education requirement; prohibited activity**
Sec. 19. The commission may grant an applicant a waiver from the continuing education requirement for the renewal period if the applicant meets one (1) of the following conditions:
(1) Was not able to fulfill the requirement due to a hardship that resulted from any of the following:
(A) Service in the armed forces of the United States during a substantial part of the renewal period.
(B) An incapacitating illness.
(C) Other circumstances determined by the commission.
(2) Has certified on approved forms to the commission the following:
(A) That the applicant has an active license but will not perform an act that requires a salesperson or broker's license.
(B) That the applicant is affiliated with a principal broker for the sole purpose of making referrals to a licensed salesperson or broker.
An individual granted a waiver under this subdivision may not perform an act that requires a salesperson or broker's license until the individual has fulfilled the same continuing education requirements needed to reactivate an inactive license under IC 25-34.1-3-10(c) and 25-34.1-3-10(d).
*As added by P.L.120-1992, SEC.3.*

**IC 25-34.1-9-20 Renewal license; denial**
Sec. 20. Subject to IC 25-1-4, the commission may deny renewal of the license of a licensee that does not fulfill the requirements of this chapter.
*As added by P.L.120-1992, SEC.3. Amended by P.L.157-2006, SEC.74.*

**IC 25-34.1-9-21 Implementation of chapter**
Sec. 21. The commission may adopt rules under IC 4-22-2 necessary to implement this chapter.
*As added by P.L.120-1992, SEC.3.*

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## INDIANA CODE § 25-34.1-10

### Chapter 10. Real Estate Agency Relationships

**IC 25-34.1-10-0.5 "Agency relationship" defined**
Sec. 0.5. As used in this chapter, "agency relationship" means a relationship in which a licensee represents a client in a real estate transaction.
*As added by P.L.130-1999, SEC.3.*

**IC 25-34.1-10-1 "Broker" defined**
Sec. 1. As used in this chapter, "broker" means an individual or entity issued a broker's real estate license by the Indiana real estate commission.
*As added by P.L.128-1994, SEC.6. Amended by P.L.130-1999, SEC.4.*

**IC 25-34.1-10-2 Repealed**
(*Repealed by P.L.130-1999, SEC.23.)*

**IC 25-34.1-10-3 Repealed**
(*Repealed by P.L.130-1999, SEC.23.)*

**IC 25-34.1-10-4 Repealed**
(*Repealed by P.L.130-1999, SEC.23.)*

**IC 25-34.1-10-5 "Client" defined**
Sec. 5. As used in this chapter, "client" means a person who has entered into an agency relationship with a licensee.
*As added by P.L.128-1994, SEC.6. Amended by P.L.130-1999, SEC.5.*

**IC 25-34.1-10-6 "Customer" defined**
Sec. 6. As used in this chapter, "customer" means a person who is provided services in the ordinary course of business by a licensee but who is not a client.
*As added by P.L.128-1994, SEC.6. Amended by P.L.130-1999, SEC.6.*

**IC 25-34.1-10-6.5 "In-house agency relationship" defined**

Sec. 6.5. As used in this chapter, "in-house agency relationship" means an agency relationship involving two (2) or more clients who are represented by different licensees within the same real estate firm.
*As added by P.L.130-1999, SEC.7.*

**IC 25-34.1-10-6.8 "Licensee" defined**

Sec. 6.8. As used in this chapter, "licensee" means an individual or entity issued a salesperson's or broker's real estate license by the Indiana real estate commission.
*As added by P.L.130-1999, SEC.8.*

**IC 25-34.1-10-7 "Limited agent" defined**

Sec. 7. As used in this chapter, "limited agent" means a licensee who, with the written and informed consent of all parties to a real estate transaction, represents both the seller and buyer or both the landlord and tenant and whose duties and responsibilities to a client are only those set forth in this chapter.
*As added by P.L.128-1994, SEC.6. Amended by P.L.130-1999, SEC.9.*

**IC 25-34.1-10-7.5 "Managing broker" defined**

Sec. 7.5. As used in this chapter, "managing broker" means a broker who manages a branch office or who acts on behalf of a principal broker.
*As added by P.L.130-1999, SEC.10.*

**IC 25-34.1-10-7.8 "Principal broker" defined**

Sec. 7.8. As used in this chapter, "principal broker" means the individual broker (including the broker designated or representative of a partnership, corporation, or limited liability company) whom the Indiana real estate commission shall hold responsible for the actions of licensees who are affiliated with the individual broker.
*As added by P.L.130-1999, SEC.11.*

**IC 25-34.1-10-8 "Real estate transaction" defined**

Sec. 8. As used in this chapter, "real estate transaction" means the sale or lease of any legal or equitable interest in real estate.
*As added by P.L.128-1994, SEC.6.*

**IC 25-34.1-10-9 "Subagent" defined**

Sec. 9. As used in this chapter, "subagent" means a broker engaged to act for another broker in performing brokerage services for a client.
*As added by P.L.128-1994, SEC.6. Amended by P.L.130-1999, SEC.12.*

**IC 25-34.1-10-9.5 Agency relationship; performance of duties**

Sec. 9.5. (a) A licensee has an agency relationship with, and is representing, the individual with whom the licensee is working unless:

(1) there is a written agreement to the contrary; or

(2) the licensee is merely assisting the individual as a customer without compensation.

(b) If a licensee, under subsection (a)(1), does not have an agency relationship with the individual with whom the licensee is working due to the existence of a written agreement to the contrary, the licensee must perform at least the following duties under the written agreement:

(1) Be available to receive and timely present offers and counteroffers for the purchase or lease of:

(A) the property of the individual, if the individual is a seller or landlord; or

(B) the property that the individual seeks to purchase or lease, if the individual is a buyer or tenant.

(2) Assist in negotiating, completing real estate forms, communicating, and timely presenting offers, counteroffers, notices, and various addenda relating to the offers and counteroffers until:

(A) a purchase agreement or lease is signed; and

(B) all contingencies are satisfied or waived.

(3) Timely respond to questions relating to offers, counter offers, notices, various addenda, and contingencies from the seller, landlord, buyer, or tenant pertaining to the subject property.

(c) If:

(1) a licensee described in subsection (b) fails to perform the duties set forth in subsection (b); and

(2) another licensee performs those duties on behalf of or at the request of a seller, landlord, buyer, or tenant;

the performance of those duties by the other licensee referred to in subdivision (2) does not constitute an agency relationship.

(d) This section does not prohibit a licensee from performing duties in addition to the duties specified in this section on behalf of or at the request of a seller, landlord, buyer, or tenant in a real estate transaction.
*As added by P.L.130-1999, SEC.13. Amended by P.L.87-2006, SEC.8.*

**IC 25-34.1-10-10 Licensee representing seller or landlord; duties; disclosure of information**

Sec. 10. (a) A licensee representing a seller or landlord has the following duties and obligations:

(1) To fulfill the terms of the agency relationship made with the seller or landlord.

(2) To disclose the nature of the agency relationship with the seller or landlord, and redefine and disclose if the relationship changes.

(3) To promote the interests of the seller or landlord by:

(A) seeking a price or lease rate and contract terms satisfactory to the seller or landlord; however, the licensee is not obligated to seek additional offers to purchase or lease after an offer to purchase or lease has been accepted by the seller or landlord, unless otherwise agreed between the parties;

(B) presenting all offers to purchase or lease to and from the seller or landlord immediately upon receipt of the offers regardless of whether an offer to purchase or lease has been accepted, unless otherwise directed by the seller or landlord;

(C) disclosing to the seller or landlord adverse material facts or risks actually known by the licensee concerning the real estate transaction;

(D) advising the seller or landlord to obtain expert advice concerning material matters that are beyond the licensee's expertise;

(E) timely accounting for all money and property received from the seller or landlord;

(F) exercising reasonable care and skill; and

(G) complying with the requirements of this chapter and all applicable federal, state, and local laws, rules, and regulations, including fair housing and civil rights statutes, rules, and regulations.

(b) A licensee representing a seller or landlord may not disclose the following without the informed written consent of the seller or landlord:

(1) That a seller or landlord will accept less than the listed price or lease rate for the property or other contract concessions.

(2) What motivates the seller to sell or landlord to lease the property.

(3) Any material or confidential information about the seller or landlord unless the disclosure is required by law or where failure to disclose would constitute fraud or dishonest dealing.

(c) A licensee representing a seller or landlord owes no duties or obligations to the buyer or tenant except that a licensee shall treat all prospective buyers or tenants honestly and shall not knowingly give them false information.

(d) A licensee shall disclose to a prospective buyer or tenant adverse material facts or risks actually known by the licensee concerning the physical condition of the property and facts required by statute or regulation to be disclosed and that could not be discovered by a reasonable and timely inspection of the property by the buyer or tenant. A licensee representing a seller or landlord owes no duty to conduct an

independent inspection of the property for the buyer or tenant or to verify the accuracy of any statement, written or oral, made by the seller, the landlord, or an independent inspector. This subsection does not limit the obligation of a prospective buyer or tenant to obtain an independent inspection of the physical condition of the property. A cause of action does not arise against a licensee for disclosing information in compliance with this section.

(e) A licensee representing a seller or landlord may:

(1) show alternative properties not owned by the seller or landlord to a prospective buyer or tenant and may list competing properties for sale or lease without breaching any duty or obligation to the seller or landlord; and

(2) provide to a buyer or tenant services in the ordinary course of a real estate transaction and any similar services that do not violate the terms of the agency relationship made with the seller or landlord.

*As added by P.L.128-1994, SEC.6. Amended by P.L.130-1999, SEC.14.*

**IC 25-34.1-10-11 Licensee representing buyer or tenant; duties; disclosure of information**

Sec. 11. (a) A licensee representing a buyer or tenant has the following duties and obligations:

(1) To fulfill the terms of the agency relationship made with the buyer or tenant.

(2) To disclose the nature of the agency relationship with the buyer or tenant, and redefine and disclose if the relationship changes.

(3) To promote the interests of the buyer or tenant by:

(A) seeking a property with a price or lease rate and contract terms satisfactory to the buyer or tenant; however, the licensee is not obligated to locate other properties to purchase or lease while the buyer is under contract to buy property or while the tenant is under contract to lease property, unless otherwise agreed between the parties;

(B) presenting all offers to purchase and lease to and from the buyer or tenant immediately upon receipt of an offer regardless of whether the buyer is already under contract to buy or the tenant is under contract to lease property, unless otherwise directed by the buyer or tenant;

(C) disclosing to the buyer or tenant adverse material facts or risks actually known by the licensee concerning the real estate transaction;

(D) advising the buyer or tenant to obtain expert advice concerning material matters that are beyond the licensee's expertise;

(E) timely accounting for all money and property received from the buyer or tenant;

(F) exercising reasonable care and skill; and

(G) complying with the requirements of this chapter and all applicable federal, state, and local laws, rules, and regulations, including fair housing and civil rights statutes, rules, and regulations.

(b) A licensee representing a buyer or tenant shall not disclose the following without the informed consent, in writing, of the buyer or tenant:

(1) That a buyer or tenant will pay more than the offered purchase price or offered lease rate for the property or other contract concessions.

(2) What motivates the buyer to buy or tenant to lease the property.

(3) Any material or confidential information about the buyer or tenant unless this disclosure is required by law or where failure to disclose would constitute fraud or dishonest dealing.

(c) A licensee representing a buyer or tenant owes no duties or obligations to the seller or landlord except that a licensee shall treat all prospective sellers or landlords honestly and not knowingly give them false information.

(d) A licensee representing a buyer or tenant owes no duty to conduct an independent investigation of the buyer's or tenant's financial ability to perform for the benefit of the seller or landlord or to verify the accuracy of any statement, written or oral, made by the buyer, the tenant, or a third party.

(e) A licensee representing a buyer or tenant may:

(1) show properties in which the buyer or tenant is interested to other prospective buyers or tenants and may show competing buyers or tenants the same property or assist other buyers or tenants in purchasing or leasing a particular property without breaching any duty or obligation to the buyer or tenant; and

(2) provide to a seller or landlord services in the ordinary course of a real estate transaction and any similar services that do not violate the terms of the agency relationship made with the buyer or tenant.

*As added by P.L.128-1994, SEC.6. Amended by P.L.130-1999, SEC.15.*

**IC 25-34.1-10-12 Licensee acting as limited agent**

Sec. 12. (a) A licensee may act as a limited agent only with the written consent of all parties to a real estate transaction. The written consent is presumed to have been given and all parties are considered informed for any party who signs a writing or writings at the time of entering into an agency relationship with the licensee that contains the following:

(1) A description of the real estate transaction or types of real estate transactions in which the licensee will serve as a limited agent.

(2) A statement that in serving as a limited agent, the licensee represents parties whose interests are different or even adverse.

(3) A statement that a limited agent shall not disclose the following without the informed consent, in writing, of the parties to the real estate transaction:

(A) Any material or confidential information, except adverse material facts or risks actually known by the licensee concerning the physical condition of the property and facts required by statute, rule, or regulation to be disclosed and that could not be discovered by a reasonable and timely inspection of the property by the parties.

(B) That a buyer or tenant will pay more than the offered purchase price or offered lease rate for the property.

(C) That a seller or landlord will accept less than the listed price or lease rate for the property.

(D) What motivates a party to buy, sell, or lease the property.

(E) Other terms that would create a contractual advantage for one (1) party over another party.

(4) A statement that there will be no imputation of knowledge or information between any party and the limited agent or among licensees.

(5) A statement that a party does not have to consent to the limited agency.

(6) A statement that the consent of each party has been given voluntarily and that any limited agency disclosure has been read and understood.

(b) A licensee acting as a limited agent may disclose and provide to both the seller and buyer property information, including listed and sold properties available through a multiple listing service or other information source.

(c) A cause of action does not arise against a licensee for disclosing or failing to disclose information in compliance with this section, and the limited agent does not terminate the limited agency relationship by making a required disclosure.

*As added by P.L.128-1994, SEC.6. Amended by P.L.130-1999, SEC.16.*

**IC 25-34.1-10-12.5 Representations by licensees**

Sec. 12.5. (a) An individual licensee affiliated with a principal broker represents only the client with which the licensee is working in an in-house agency relationship. A client represented by an individual licensee affiliated with a principal broker is represented only by that licensee to the exclusion of all other licensees. A principal or managing broker does not

represent any party in such transactions unless the principal or managing broker has an agency relationship to personally represent a client.

(b) A licensee who personally represents both the seller and buyer or both the landlord and tenant in a real estate transaction is a limited agent and is required to comply with the provisions of this chapter governing limited agents.

(c) A licensee representing a client in an in-house agency relationship owes the client duties and obligations set forth in this chapter and shall not disclose material or confidential information obtained from the client to other licensees, except to the principal or managing broker for the purpose of seeking advice or assistance for the client's benefit.

(d) A principal broker, managing broker, and any affiliated licensee shall take reasonable and necessary care to protect any material or confidential information disclosed by a client to the client's in-house agent.

(e) In all in-house agency relationships, a principal broker, managing broker, and an individual licensee possess only actual knowledge and information. There is no imputation of agency, knowledge, or information among or between clients, the principal broker, the managing broker, and licensees.

*As added by P.L.130-1999, SEC.17.*

**IC 25-34.1-10-13 Written office policy regarding agency relationships; disclosure of policy; disclosure of compensation; compensation not creating agency relationship**

Sec. 13. (a) A principal broker shall develop and enforce a written office policy that identifies and describes the agency relationships that a licensee may have with a seller, landlord, buyer, or tenant and that specifically permits or rejects the practice of disclosed limited agency.

(b) At the beginning of an agency relationship, a licensee shall disclose in writing the principal broker's written office policy set forth in this section before the disclosure by the potential seller, landlord, buyer, or tenant of any confidential information specific to that potential seller, landlord, buyer, or tenant.

(c) Parties to a real estate transaction shall be advised whether compensation will be shared with other principal brokers who may represent other parties to the transaction whose interests are different or even adverse.

(d) The payment of compensation does not create an agency relationship between a licensee and a seller, landlord, buyer, or tenant.

*As added by P.L.128-1994, SEC.6. Amended by P.L.130-1999, SEC.18.*

**IC 25-34.1-10-14 Commencement and termination of agency relationship**

Sec. 14. (a) The duties and obligations set forth in this chapter begin at the time the licensee enters into an agency relationship with a party to a real estate transaction and continues until the agency relationship terminates.

(b) If the agency relationship is not fulfilled or completed for any reason, the agency relationship ends at the earlier of:

(1) a date of expiration agreed upon by the parties; or

(2) a termination of the relationship by the parties.

(c) Except as otherwise agreed to in writing and as provided in subsection (b), a licensee representing a seller, landlord, buyer, or tenant owes no further duties or obligations after termination, expiration, or completion of the agency relationship, except:

(1) accounting for all money and property received during the agency relationship; and

(2) keeping confidential all information received during the course of the agency relationship that was made confidential by request or instructions from the client, unless:

(A) the disclosure is required by law;

(B) the client gives written consent to the disclosure; or

(C) the information becomes public from a source other than the licensee or by subsequent words or conduct of the client.

*As added by P.L.128-1994, SEC.6. Amended by P.L.130-1999, SEC.19.*

**IC 25-34.1-10-15 Fiduciary duties superseded**

Sec. 15. The duties and obligations of a licensee set forth in this chapter supersede any fiduciary duties of a licensee to a party based on common law principles of agency to the extent that those common law fiduciary duties are inconsistent with the duties and obligations set forth in this chapter.

*As added by P.L.128-1994, SEC.6. Amended by P.L.130-1999, SEC.20.*

**IC 25-34.1-10-16 Liability for misrepresentation**

Sec. 16. (a) A client is not liable for any misrepresentation made by a licensee in connection with the agency relationship, unless the client knew or should have known of the misrepresentation.

(b) A licensee is not liable for any misrepresentation made by another licensee, unless the licensee knew or should have known of the other licensee's misrepresentation.

*As added by P.L.128-1994, SEC.6. Amended by P.L.130-1999, SEC.21.*

**IC 25-34.1-10-17 Subagency prohibited**

Sec. 17. A licensee may not make an offer of subagency through a multiple listing service or other information source, or agree to appoint, cooperate with, compensate, or otherwise associate with a subagent in a real estate transaction. The elimination of subagency by this section is not intended to limit the rights of a licensee to cooperate with, compensate, or otherwise associate with another licensee who is not acting on behalf of a client.

As added by P.L.130-1999, SEC.22.

## INDIANA CODE § 4-23

## ARTICLE 23. BOARDS AND COMMISSIONS

## INDIANA CODE § 4-23-30

### Chapter 30. Mortgage Lending and Fraud Prevention Task Force

**IC 4-23-30-1 "Task force"**

Sec. 1. As used in this chapter, "task force" refers to the mortgage lending and fraud prevention task force created under section 2 of this chapter.

*As added by P.L.16-2009, SEC.10.*

**IC 4-23-30-2 Creation of task force**

Sec. 2. The following agencies shall create the mortgage lending and fraud prevention task force by each appointing an equal number of representatives to serve on the task force:

(1) The securities division of the office of the secretary of state established under IC 23-19-6-1(a).

(2) The homeowner protection unit established by the attorney general under IC 4-6-12-2.

(3) The department of financial institutions established by IC 28-11-1-1.

(4) The department of insurance created by IC 27-1-1-1.

(5) The Indiana real estate commission created by IC 25-34.1-2-1.

(6) The real estate appraiser licensure and certification board created by IC 25-34.1-8-1.

*As added by P.L.16-2009, SEC.10.*

**IC 4-23-30-3 Task force chair**

Sec. 3. The members of the task force annually shall appoint a chair from among the members of the task force. Each year, the chair shall rotate among the agencies set forth in section 2 of this chapter.

*As added by P.L.16-2009, SEC.10.*

**IC 4-23-30-4 Task force duties**

Sec. 4. Subject to section 5 of this chapter, the task force shall meet each month to:

(1) coordinate the state's efforts to:

(A) regulate the various participants involved in originating, issuing, and closing home loans;

(B) enforce state laws and rules concerning mortgage lending practices and mortgage fraud; and

(C) prevent fraudulent practices in the home loan industry; and

(2) share information and resources necessary for the efficient administration of the tasks set forth in subdivision (1), unless prohibited by law.

*As added by P.L.16-2009, SEC.10.*

**IC 4-23-30-5 Task force meetings**

Sec. 5. With respect to any meeting of the task force:

(1) one (1) or more members of the task force may participate in the meeting; or

(2) the meeting may be conducted in its entirety;

by means of a conference telephone or similar communications equipment by which all persons participating in the meeting can communicate with each other. Participation by the means described in this subsection constitutes presence in person at the meeting.

*As added by P.L.16-2009, SEC.10.*

**IC 4-23-30-6 Task force reports**

Sec. 6. (a) Not later than November 1 of each year, the task force shall report to the legislative council on the activities of each agency comprising the task force under section 2 of this chapter with respect to the most recent state fiscal year. The report required under this section must include:

(1) information on the regulatory activities of each agency described in section 2 of this chapter, including a description of any:

(A) disciplinary or enforcement actions taken;

(B) criminal prosecutions pursued;

(C) rules adopted;

(D) policies issued; or

(E) legislative recommendations made;

concerning the professions involved in originating, issuing, and closing home loans;

(2) a description of any challenges:

(A) encountered by the task force during the most recent state fiscal year; or

(B) anticipated by the task force in the current state fiscal year;

in carrying out the duties set forth in section 4 of this chapter;

(3) any additional information required by the legislative council; and

(4) any recommendations by the task force for legislation necessary to assist the task force in carrying out the duties set forth in section 4 of this chapter.

(b) A report to the legislative council under this section must be in an electronic format under IC 5-14-6.

*As added by P.L.16-2009, SEC.10.*

## INDIANA CODE § 23-1.5

## ARTICLE 1.5. PROFESSIONAL CORPORATIONS

### INDIANA CODE § 23-1.5-1

### Chapter 1. Definitions

**IC 23-1.5-1-1 Application of definitions**
Sec. 1. The definitions in this chapter apply throughout this article.
*As added by P.L.239-1983, SEC.1.*

**IC 23-1.5-1-2 "Accounting professional"**
Sec. 2. "Accounting professional" means an individual who is licensed as:
(1) a certified public accountant under IC 25-2.1-3;
(2) a public accountant under IC 25-2.1-6; or
(3) an accounting practitioner under IC 25-2.1-6.
*As added by P.L.239-1983, SEC.1. Amended by P.L.30-1993, SEC.2.*

**IC 23-1.5-1-3 "Architectural or engineering professional"**
Sec. 3. "Architectural or engineering professional" means an individual who is registered as:
(1) an architect under IC 25-4-1;
(2) a landscape architect under IC 25-4-2;
(3) a professional engineer under IC 25-31-1; or
(4) a land surveyor under IC 25-21.5.
*As added by P.L.239-1983, SEC.1. Amended by P.L.23-1991, SEC.5.*

**IC 23-1.5-1-4 "Attorney"**
Sec. 4. "Attorney" means an individual in good standing admitted to the practice of law in Indiana.
*As added by P.L.239-1983, SEC.1.*

**IC 23-1.5-1-5 "Bureau"**
Sec. 5. "Bureau" means the following:
(1) In the case of:
(A) an accounting professional;
(B) an architectural professional;
(C) an engineering professional;
(D) a health care professional;
(E) a real estate professional; or
(F) a veterinarian;
the Indiana professional licensing agency established by IC 25-1-5-3.
(2) In the case of an attorney, the state board of law examiners.
*As added by P.L.239-1983, SEC.1. Amended by P.L.132-1984, SEC.1; P.L.169-1985, SEC.19; P.L.229-1995, SEC.1; P.L.1-2006, SEC.406.*

**IC 23-1.5-1-5.4 "Charitable remainder annuity trust"**
Sec. 5.4. "Charitable remainder annuity trust" has the meaning set forth in Section 664(d)(1) of the Internal Revenue Code.
*As added by P.L.172-1996, SEC.1.*

**IC 23-1.5-1-5.6 "Charitable remainder unitrust"**
Sec. 5.6. "Charitable remainder unitrust" has the meaning set forth in Section 664(d)(2) or 664(d)(3) of the Internal Revenue Code.
*As added by P.L.172-1996, SEC.2.*

**IC 23-1.5-1-6 "Disqualified person"**
Sec. 6. "Disqualified person" means an individual, corporation, limited liability company, partnership, fiduciary, trust, association, government agency, or other entity that for any reason is or becomes ineligible under this article to own shares issued by a professional corporation. The term includes a charitable remainder unitrust or charitable remainder annuity trust that is or becomes a disqualified person for failure to comply with section 13(3) of this chapter.
*As added by P.L.239-1983, SEC.1. Amended by P.L.8-1993, SEC.307; P.L.172-1996, SEC.3.*

**IC 23-1.5-1-7 "Foreign professional corporation"**
Sec. 7. "Foreign professional corporation" means a corporation for profit organized for the purpose of rendering professional services under the law of another state or country.
*As added by P.L.239-1983, SEC.1.*

**IC 23-1.5-1-8 "Health care professional"**
Sec. 8. "Health care professional" means an individual who is licensed, certified, or registered by a board (as defined in IC 25-1-9-1). However, the term does not include a veterinarian.
*As added by P.L.239-1983, SEC.1. Amended by P.L.150-1986, SEC.1; P.L.149-1987, SEC.15; P.L.14-2002, SEC.1.*

**IC 23-1.5-1-9 "Licensing authority"**
Sec. 9. "Licensing authority" means the following:
(1) In the case of an accounting professional, the Indiana state board of public accountancy.
(2) In the case of an architectural professional, the board of registration for architects and landscape architects.
(3) In the case of an engineering professional, the state board of registration for professional engineers.
(4) In the case of an attorney, the Indiana supreme court.
(5) In the case of a health care professional, the board (as defined in IC 25-1-9-1) that issues the individual's license, certification, or registration.
(6) In the case of a veterinarian, the Indiana board of veterinary medical examiners.
(7) In the case of a land surveyor, the state board of registration for land surveyors.
(8) In the case of a real estate professional, the Indiana real estate commission.
As added by P.L.239-1983, SEC.1. Amended by P.L.137-1985, SEC.4; P.L.169-1985, SEC.20; P.L.150-1986, SEC.2; P.L.149-1987, SEC.16; P.L.23-1991, SEC.6; P.L.33-1993, SEC.8; P.L.229-1995, SEC.2; P.L.24-1999, SEC.1; P.L.82-2000, SEC.1; P.L.14-2002, SEC.2.

**IC 23-1.5-1-10 "Professional corporation"**
Sec. 10. "Professional corporation" means:
(1) a corporation for profit organized under this article; or
(2) a foreign corporation admitted to do business under this article.
As added by P.L.239-1983, SEC.1.

**IC 23-1.5-1-11 "Professional service"**
Sec. 11. "Professional service" means any type of service that may be legally performed only by:
(1) an accounting professional;
(2) an architectural or engineering professional;
(3) an attorney;
(4) a health care professional;
(5) a veterinarian; or
(6) a real estate professional.
*As added by P.L.239-1983, SEC.1. Amended by P.L.229-1995, SEC.3.*

**IC 23-1.5-1-12 "Qualified person"**

Sec. 12. "Qualified person" means an individual, general partnership, professional corporation, or trustee of a qualified trust that is eligible under this article to own shares issued by a professional corporation.
*As added by P.L.239-1983, SEC.1.*

**IC 23-1.5-1-13 "Qualified trust"**

Sec. 13. "Qualified trust" means one (1) of the following:

(1) A trust of which the entire beneficial ownership is owned by a qualified person and the trustee is a qualified person.

(2) A voting trust established under IC 23-1-31, if the beneficial owner of any shares on deposit and the trustee of the voting trust are qualified persons.

(3) A charitable remainder unitrust or charitable remainder annuity trust that complies with each of the following conditions:

(A) Has one (1) or more current income recipients, all of whom are qualified persons.

(B) Has a trustee or an independent special trustee who:

(i) is a qualified person; and

(ii) has exclusive authority over the shares of the professional corporation while the shares are held in the trust.

(C) Has one (1) or more irrevocably designated charitable remaindermen, all of which must at all times:

(i) be domiciled; or

(ii) maintain a local chapter;

in Indiana.

(D) When distributing any assets during the term of the trust to charitable organizations, the distributions are made only to charitable organizations described in Section 170(c) of the Internal Revenue Code that:

(i) are domiciled; or

(ii) maintain a local chapter;

in Indiana.

*As added by P.L.239-1983, SEC.1. Amended by P.L.149-1986, SEC.46; P.L.172-1996, SEC.4.*

**IC 23-1.5-1-13.5 "Real estate professional"**

Sec. 13.5. "Real estate professional" means an individual who is licensed as:

(1) a real estate salesperson under IC 25-34.1-3-3.1; or

(2) a real estate broker licensed under IC 25-34.1-3-4.1.

*As added by P.L.229-1995, SEC.4.*

**IC 23-1.5-1-14 "Veterinarian"**

Sec. 14. "Veterinarian" means an individual admitted to practice veterinary medicine under IC 25-38.1-3.
*As added by P.L.239-1983, SEC.1. Amended by P.L.2-2008, SEC.47.*

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## INDIANA CODE § 23-1.5-2

### Chapter 2. Administrative Provisions

**IC 23-1.5-2-1 Application of IC 23-1**

Sec. 1. IC 23-1 applies to professional corporations formed under this article. However, in the event of a conflict between this article and IC 23-1, this article applies.
*As added by P.L.239-1983, SEC.1.*

**IC 23-1.5-2-2 Performance of administrative functions by bureaus**

Sec. 2. All administrative functions, duties, and responsibilities assigned by this article to any licensing authority shall be performed by the appropriate bureau.
*As added by P.L.239-1983, SEC.1.*

**IC 23-1.5-2-3 Formation of professional corporations; authorization of investments; admission of foreign professional corporations**

Sec. 3. (a) Except as provided in subsections (c) and (d) and IC 25-2.1-5, a professional corporation may be formed to render professional services as follows:

(1) One (1) or more accounting professionals may form a professional corporation to render services that may legally be performed only by an accounting professional.

(2) One (1) or more architectural or engineering professionals may form a professional corporation to render services that may legally be performed only by an architectural or engineering professional.

(3) One (1) or more attorneys may form a professional corporation to render services that may legally be performed only by an attorney.

(4) One (1) or more health care professionals may form a professional corporation to render services that may legally be performed only by a health care professional.

(5) One (1) or more veterinarians may form a professional corporation to render services that may legally be performed only by a veterinarian.

(6) One (1) or more real estate professionals may form a professional corporation to render services that may legally be performed only by a real estate professional.

(b) A foreign professional corporation may be admitted to render professional services in Indiana by complying with IC 23-1.5-5.

(c) A domestic professional corporation or a foreign professional corporation admitted to render professional services in Indiana:

(1) shall have at least one (1) shareholder who is licensed in Indiana; and

(2) may have at least one (1) shareholder who is licensed under the laws of another state to render similar professional services.

(d) In addition to the professional services permitted by its articles of incorporation, a professional corporation may invest its funds in any type of investment not prohibited by law.
*As added by P.L.239-1983, SEC.1. Amended by P.L.229-1995, SEC.5; P.L.34-1997, SEC.3; P.L.128-2001, SEC.1.*

**IC 23-1.5-2-4 Qualifications of directors and officers**

Sec. 4. The directors of a professional corporation and all the officers other than the secretary and the treasurer must be qualified persons with respect to the corporation.
*As added by P.L.239-1983, SEC.1.*

**IC 23-1.5-2-5 Persons rendering professional services; licensing**

Sec. 5. (a) A professional corporation may render professional services only through individuals permitted to render such services in Indiana. However, individuals who are not usually and ordinarily considered by custom and practice to be rendering professional services (such as clerks, bookkeepers, and technicians) are not required to be licensed to perform their services.

(b) A licensed individual acting in his individual capacity may render professional services, even though the individual may be a shareholder, director, officer, employee, or agent of a professional corporation.
*As added by P.L.239-1983, SEC.1.*

**IC 23-1.5-2-6 Liability of corporation, shareholders, and persons rendering professional services**

Sec. 6. (a) An individual who renders professional services as an employee of a professional corporation is liable for any negligent or wrongful act or omission in which he personally participates to the same extent as if he rendered such services as a sole practitioner.

(b) An individual who renders professional services as an employee of a professional corporation is liable for the conduct of other employees of the professional corporation under his direction or control to the same extent a sole practitioner would be so liable.

(c) A corporation whose employees perform professional services within the scope of their employment or of their apparent authority to act for the corporation is liable to the same extent as its employees.

(d) Except as otherwise provided by statute or by rule of the licensing authority, the personal liability of a shareholder of a professional corporation is no greater in any respect than that of a shareholder of a corporation organized under IC 23-1.

*As added by P.L.239-1983, SEC.1.*

**IC 23-1.5-2-7 Relationship of patient or client to corporation or person performing professional services; privileged communications**

Sec. 7. (a) The relationship between an individual performing professional services as an employee of a professional corporation and a client or patient is the same as if the individual performed such services as a sole practitioner.

(b) The relationship between a professional corporation performing professional services and the client or patient is the same as between the client or patient and the individual performing the services.

(c) A privilege applicable to communications between a person rendering professional services and the person receiving such services recognized under Indiana law remains inviolate and extends to a professional corporation and its employees in all cases in which it applies to communications between an individual rendering professional services on behalf of the corporation and the person receiving such services.

*As added by P.L.239-1983, SEC.1.*

**IC 23-1.5-2-8 Corporate name**

Sec. 8. (a) The corporate name of every professional corporation organized under this article:

(1) must include the words "Professional Services Corporation" or "Professional Corporation" or an abbreviation of these words;

(2) may not contain any word or phrase that indicates or implies any purpose or power not possessed by corporations organizable under this article; and

(3) may not contain any word or phrase that indicates that it is organized for any purpose other than that listed in the articles of incorporation.

In addition, only a professional corporation in which all shareholders are physicians licensed under IC 25-22.5 may use the term "medical" in its corporate name.

(b) A licensing authority may by rule adopt further requirements than those specified in subsection (a) as to the names of professional corporations organized under this article.

*As added by P.L.239-1983, SEC.1.*

**IC 23-1.5-2-9 Certificates of registration and incorporation; issuance**

Sec. 9. (a) The secretary of state may issue a certificate of incorporation under this article only if a certificate of registration has first been obtained as provided by this section.

(b) Application for a certificate of registration:

(1) shall be made to the bureau in writing; and

(2) must contain the name and address of the proposed corporation and such other information as may be required by a licensing authority.

(c) Upon receipt of the application, the licensing authority shall review the application and make such investigation of the proposed corporation as it considers necessary. If the licensing authority finds that:

(1) the directors and shareholders are properly licensed in compliance with statute and the rules of the licensing authority; and

(2) the corporation will be organized in compliance with statute and with the rules of the licensing authority;

the licensing authority shall certify to the bureau that a certificate of registration should be issued. When the bureau has received approval from the appropriate licensing authorities, the bureau shall issue, upon payment of a registration fee of twenty-five dollars ($25), a certificate of registration.

(d) The incorporators shall present the certificate of registration to the secretary of state at the time the articles of incorporation are presented for filing.

(e) The secretary of state shall issue a certificate of incorporation within sixty (60) days after the date the articles of incorporation are filed, if he finds that the articles of incorporation conform to law.

(f) After the articles of incorporation are approved, the secretary of state shall:

(1) place his endorsement on the certificate of registration; and

(2) return to the incorporators the certificate of registration and the certificate of incorporation, along with all accompanying documents.

(g) The certificate of registration takes effect upon the issuance of the certificate of incorporation by the secretary of state, and remains in effect until January 31 following the date of incorporation.

*As added by P.L.239-1983, SEC.1.*

**IC 23-1.5-2-10 Certificate of registration; renewal**

Sec. 10. (a) The certificate of registration must be renewed biennially before January 31 of even numbered years. The holder of the certificate of registration must apply for renewal by submitting to the bureau:

(1) a written application upon a form prescribed by the bureau; and

(2) a fee of twenty dollars ($20).

(b) The licensing authority shall submit its approval to the bureau for the renewal of the certificate of registration if the licensing authority finds that the corporation has complied with:

(1) this chapter; and

(2) the rules of the licensing authority.

As added by P.L.239-1983, SEC.1. Amended by P.L.152-1988, SEC.4.

**IC 23-1.5-2-11 Repealed**

(Repealed by P.L.34-1997, SEC.26.)

**IC 23-1.5-2-11.1 Biennial report**

Sec. 11.1. A professional corporation must file a biennial report under IC 23-1.

*As added by P.L.34-1997, SEC.4.*

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**INDIANA CODE § 23-1.5-3**

**Chapter 3. Ownership**

**IC 23-1.5-3-1 Shares; issuance; transfer**

Sec. 1. (a) Except as provided in IC 25-2.1-5, a professional corporation may issue shares, fractional shares, and rights or options to purchase shares only to:

(1) individuals who are authorized by Indiana law or the laws of another state to render a professional service permitted by the articles of incorporation of the corporation;

(2) general partnerships in which all the partners are authorized by Indiana law or the laws of another state to render a professional service permitted by the articles of incorporation of the corporation;

(3) professional corporations authorized by Indiana law or the laws of another state to render a professional service permitted by the articles of incorporation of the corporation; and

(4) the trustee of a qualified trust.

(b) When determined necessary by the licensing authority for any profession in order to prevent violations of the ethical standards of the profession, the licensing authority may by rule further restrict, condition,

or abridge the authority of professional corporations to issue shares, but no such rule may, of itself, have the effect of causing a shareholder of a professional corporation at the time the rule becomes effective to become a disqualified person. All shares issued in violation of:

(1) this section; or

(2) any rule adopted by a licensing authority as provided by this section;

are void.

(c) Except as provided in IC 25-2.1-5, a shareholder of a professional corporation may transfer or pledge shares, fractional shares, and rights or options to purchase shares of the corporation only to individuals, general partnerships, professional corporations, and trustees of qualified trusts qualified under this article to own shares issued directly to them by the professional corporation. A transfer of shares in violation of this subsection is void; however, this subsection does not apply to the transactions described in section 3 of this chapter.

(d) Each certificate representing shares of a professional corporation must state conspicuously upon its face that the shares represented by that certificate are subject to:

(1) restrictions on transfer imposed by this article; and

(2) such restrictions on transfer as may be imposed by the licensing authority under this article.

(e) This section does not permit or authorize an individual to practice within Indiana any profession with respect to which a license or registration is required by the state without the individual being licensed or registered under the laws of the state.

*As added by P.L.239-1983, SEC.1. Amended by P.L.34-1997, SEC.5; P.L.128-2001, SEC.2.*

**IC 23-1.5-3-2 Authority to purchase shares from disqualified persons**

Sec. 2. A professional corporation may purchase its own shares from a disqualified person without regard to the availability of capital or earned surplus for the purchase; however, no purchase of or payment for its own shares may be made at a time when the corporation is insolvent or when the purchase or payment would make it insolvent.

*As added by P.L.239-1983, SEC.1.*

**IC 23-1.5-3-3 Transfer or purchase of shares from disqualified persons; procedure**

Sec. 3. (a) Whenever:

(1) a shareholder of a professional corporation dies;

(2) a shareholder of a professional corporation becomes a disqualified person;

(3) a charitable remainder unitrust or charitable remainder annuity trust that holds shares of a professional corporation becomes a disqualified person; or

(4) shares of a professional corporation are transferred by operation of law or court decree to a disqualified person;

the shares of the deceased shareholder or disqualified person may be transferred to a qualified person. If the shares are not so transferred, the shares shall be purchased or redeemed by the corporation to the extent of funds that may legally be made available for the purchase, as provided in section 2 of this chapter.

(b) Within five (5) months after such death or thirty (30) days after such a disqualification or transfer, if the price and method of payment for such shares is not fixed or ascertainable by the articles of incorporation or bylaws of the corporation or by private agreement, the corporation shall make a written offer to pay for the shares at a specified price determined by the corporation to be the fair value of the shares as of the date of the death, disqualification, or transfer. The offer:

(1) shall be given to the disqualified person, which, in the case of a deceased shareholder, is the executor, administrator, or heirs at law if there is no executor or administrator; and

(2) must be accompanied by:

(A) a balance sheet of the corporation, as of the latest available date and not more than twelve (12) months before the making of the offer; and

(B) an income statement of the corporation for the twelve (12) month period ending on the date of the balance sheet.

(c) If the fair value of the shares is agreed upon between the disqualified person and the corporation within thirty (30) days after the date of the written offer from the corporation, payment for the shares shall be made upon surrender of the certificate or certificates representing the shares:

(1) within sixty (60) days after the date of the offer; or

(2) at such other time as the parties may fix by agreement.

Upon payment of the agreed value, the disqualified person ceases to have any interest in the shares.

(d) If the disqualified person and the corporation do not agree on the fair value of the shares within thirty (30) days after the corporation's written offer, the following procedures apply:

(1) The disqualified person may make written demand within sixty (60) days after the date of the corporation's written offer that the corporation file a petition in the circuit or superior court in the county where the principal office of the corporation is located, requesting that the fair value of the shares be determined. The corporation shall file a petition under this subdivision within thirty (30) days after receipt of written demand from the disqualified person. If the corporation fails to institute the proceeding as required by this subdivision, the disqualified person may do so within sixty (60) days after delivery of the written demand to the corporation.

(2) If the corporation so elects at any time within sixty (60) days after the date of the corporation's written offer, it may file a petition for the determination of the fair value of the shares in the circuit or superior court in the county where the principal office of the corporation is located.

(3) The disqualified person shall be made a party to any proceeding under this subsection.

(4) All proceedings instituted under this subsection shall be governed by the Indiana rules of trial procedure.

(5) In a proceeding under this subsection, the court may appoint one (1) or more persons as appraisers to receive evidence and make a recommendation to the court on the question of the fair value of the shares. The appraisers have such authority as shall be specified in the appointment order of the court.

(e) In a proceeding under subsection (d), the disqualified person is entitled to judgment against the corporation for the amount of the fair value of his shares as of the date of death, disqualification, or transfer, upon surrender to the corporation of the certificate or certificates representing the shares. The court may order that the judgment be paid by the corporation in such installments as the court determines to be fair and just. The judgment may include an allowance for interest, not to exceed the legal rate of interest for judgments specified in IC 24-4.6-1-101, from the date of death, disqualification, or transfer.

(f) Except as provided in this subsection, the costs and expenses of any proceeding under subsection (d) shall be determined by the court and shall be assessed against the corporation. If the fair value of the shares as determined by the court does not exceed the amount specified in the last written offer made by the corporation, the court may assess all or any part of the costs and expenses of the proceeding against the disqualified person. For purposes of this subsection, expenses include:

(1) reasonable compensation for and reasonable expenses of the appraisers; and

(2) reasonable fees and expenses of counsel.

(g) If a purchase, redemption, or transfer of the shares of a deceased or disqualified shareholder or of a transferee who is a disqualified person is not completed within ten (10) months after the death of the deceased

shareholder or within five (5) months after the disqualification or transfer, the corporation shall immediately cancel the shares on its books, and the disqualified person as of the date of cancellation has no further interest as a shareholder in the corporation other than his right to payment for such shares under this section. A corporation may not cancel its shares if a petition for a determination of fair value has been filed under this section in a circuit or superior court.

(h) Shares acquired by a corporation:

(1) in payment of the agreed value for the shares; or

(2) in payment of a judgment entered for the payment of those shares, as provided in this section;

may be held and disposed of by the corporation as in the case of other treasury shares.

(i) Any provision regarding purchase, redemption, or transfer of shares of a professional corporation contained in the articles of incorporation, bylaws, or any private agreement is specifically enforceable in the courts of this state.

(j) This section does not prevent or relieve a professional corporation from paying pension benefits or other deferred compensation for services rendered to or on behalf of a former shareholder as otherwise permitted by law.

*As added by P.L.239-1983, SEC.1. Amended by P.L.172-1996, SEC.5.*

**IC 23-1.5-3-4 Proxies; voting trusts**

Sec. 4. (a) A proxy for shares of a professional corporation is valid only if it is given to a qualified person of that corporation.

(b) A voting trust with respect to shares of a professional corporation is valid only if all the trustees and beneficiaries of the voting trust are qualified persons.

*As added by P.L.239-1983, SEC.1.*

**IC 23-1.5-3-5 Powers of administrator, executor, guardian, and others of estate of shareholder who holds all outstanding shares**

Sec. 5. This section applies to an administrator, executor, guardian, conservator, or receiver of the estate of a shareholder of a professional corporation who holds all of the outstanding shares of the corporation. Such a person may:

(1) exercise voting rights; and

(2) serve as a director and officer of the corporation;

for the purposes of amending the articles of incorporation as provided in IC 23-1.5-4-2 or dissolving the corporation.

*As added by P.L.239-1983, SEC.1.*

**IC 23-1.5-3-6 Filing of articles of incorporation; notice of change of ownership or address**

Sec. 6. (a) A professional corporation shall file a copy of its articles of incorporation, certified by the secretary of state, with the bureau. Thereafter, the corporation shall file with the bureau certified copies of all amendments to its articles of incorporation, including articles of acceptance and all articles of merger to which the corporation is a party.

(b) A professional corporation shall notify the bureau of a change in the ownership of any of the shares in the professional corporation or a change in its business address within thirty (30) days after the date of the change. Notice of change in ownership must contain the names and post office addresses of the transferor shareholder and the transferee shareholder, and notice of change of business address must contain the street address of the old location and the street address of the new location.

*As added by P.L.239-1983, SEC.1. Amended by P.L.34-1997, SEC.6.*

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**INDIANA CODE § 23-1.5-4**

**Chapter 4. Change of Corporate Form**

**IC 23-1.5-4-1 Merger and consolidation**

Sec. 1. (a) A professional corporation may merge or consolidate with another corporation, domestic or foreign, only if every shareholder of each corporation is qualified to be a shareholder of the surviving or new corporation.

(b) Upon the merger or consolidation of a professional corporation, if the surviving or new corporation is to render professional services in Indiana, it shall comply with this article.

*As added by P.L.239-1983, SEC.1.*

**IC 23-1.5-4-2 Cessation of professional services**

Sec. 2. (a) If a professional corporation ceases to render professional services, the corporation shall:

(1) amend its articles of incorporation to delete from its stated purposes the rendering of professional services; and

(2) conform to the requirements of IC 23-1 regarding its corporate name.

(b) The corporation may then continue in existence as a corporation under IC 23-1 and is no longer subject to this article.

*As added by P.L.239-1983, SEC.1.*

**IC 23-1.5-4-3 Involuntary dissolution**

Sec. 3. (a) A professional corporation formed under this article may be involuntarily dissolved as provided by IC 23-1-47.

(b) In addition to the causes specified in IC 23-1-47 for the involuntary dissolution of a corporation, a failure to comply with this article is a cause for the involuntary dissolution of a professional corporation under IC 23-1-46.

*As added by P.L.239-1983, SEC.1. Amended by P.L.34-1987, SEC.278.*

**IC 23-1.5-4-4 Right of corporation to accept this article**

Sec. 4. (a) Any corporation organized under Indiana law for any purpose or purposes for which a corporation might be organized under this article, and existing on September 1, 1983, may accept this article, and avail itself of the rights and privileges provided by this article, by complying with this article. Without limitation, this right to accept this article extends to any corporation formed under this or any other general statute, for any purpose or purposes for which a corporation might be organized under this article, if the corporation existed on or after September 1, 1983, or if its articles of incorporation fix a time of corporate existence that has terminated or thereafter terminates, if this corporation files its articles of acceptance within two (2) years after such termination. The acceptance of this article may be effected by the officer, directors, and members of the corporation or by persons acting as such.

(b) Upon acceptance and compliance with the requirements of this article, the corporation shall be considered to have existed since termination and its acts, during this time, have the same validity as if performed before termination.

(c) This section does not apply to any corporation whose corporate franchise has been forfeited under any other statute.

*As added by P.L.239-1983, SEC.1.*

**IC 23-1.5-4-5 Articles of acceptance; approval by board of directors and members; presentation to secretary of state**

Sec. 5. (a) The board of directors or trustees of a corporation desiring to accept this article shall, by a resolution adopted by a majority vote of the board, approve articles of acceptance setting forth the following information:

(1) The name of the corporation.

(2) The location of its principal office and the name and address of its resident agent.
(3) The date of its incorporation.
(4) A designation of the law under which it was organized.
(5) A declaration that it accepts all of the terms and provisions of this article.
(6) A restatement of those provisions of its articles of incorporation or association that it desires to have continued in effect, as long as the provisions restated would have been authorized by this article as provisions of original articles of incorporation for a corporation organized under this article. Failure to restate such provisions in the articles of acceptance constitutes nonconformance to law, and the secretary of state shall refuse to file these articles of acceptance. Any provision not stated in its articles of acceptance is not effective after the articles are filed; however, this subdivision does not prevent any corporation from adopting and filing amended articles of acceptance that make the articles conform to this subdivision. Amended articles of acceptance shall be filed and recorded in the same manner as required for original articles of acceptance.

(b) The resolution of the board of directors approving the articles of acceptance must direct that the articles be submitted to a vote of those members of the corporation who are entitled to vote in respect to the articles, at a designated meeting, which may be an annual meeting of members or a special meeting of those members who are entitled to vote. If the designated meeting is an annual meeting, notice of the submission of the articles of acceptance shall be included in the notice of the annual meeting. If it is a special meeting, it shall be called by the resolution designating the meeting and notice shall be given at the time and in the manner provided in IC 23-17-10.

(c) The articles of acceptance approved by the board of directors shall be submitted to a vote of the members as provided in subsection (b). To be adopted, they must receive the affirmative votes of two-thirds (2/3) of the members entitled to vote.

(d) Upon approval and adoption, the articles of acceptance:
(1) shall be signed in duplicate, in the form prescribed by the secretary of state, by any current officer of the corporation and verified and affirmed subject to penalties for perjury; and
(2) shall be presented in duplicate to the secretary of state at his office, accompanied by those fees prescribed by law.

*As added by P.L.239-1983, SEC.1. Amended by P.L.179-1991, SEC.27.*

**IC 23-1.5-4-6 Articles of acceptance; approval by secretary of state**

Sec. 6. Upon the presentation of the articles of acceptance, the secretary of state, if he finds they conform to the requirements of section 5 of this chapter, shall endorse his approval upon both of the copies of the articles, and, when all fees have been paid as required by law, shall:
(1) file one (1) copy of the articles in his office;
(2) issue a certificate of acceptance; and
(3) return to the corporation the remaining copy of the articles of acceptance, bearing the endorsement of his approval, together with the certificate of acceptance.

*As added by P.L.239-1983, SEC.1.*

**IC 23-1.5-4-7 Certificate of acceptance; issuance**

Sec. 7. The acceptance becomes effective upon issuance of a certificate of acceptance by the secretary of state. The corporation is entitled to all rights and privileges and is subject to all penalties, liabilities, and restrictions provided by this article granted to or imposed upon corporations organized under this article. The articles of incorporation shall be considered to be amended to the extent, if any, that any provision or provisions of the articles are restated in the articles of acceptance.

*As added by P.L.239-1983, SEC.1.*

## INDIANA CODE § 23-1.5-5

### Chapter 5. Foreign Professional Corporations

**IC 23-1.5-5-1 Necessity of compliance; application of IC 23-1-50**

Sec. 1. A foreign professional corporation desiring to be admitted to render professional services in Indiana must:
(1) comply with IC 23-1-49; and
(2) comply with this article.

IC 23-1-50 applies to the foreign professional corporation.

*As added by P.L.239-1983, SEC.1. Amended by P.L.11-1987, SEC.26.*

**IC 23-1.5-5-2 Revocation of certificate of admission**

Sec. 2. The certificate of admission of any foreign corporation admitted to render professional services in Indiana may be revoked at any time by the secretary of state:
(1) as provided by IC 23-1-51; or
(2) for failure to comply with this article.

*As added by P.L.239-1983, SEC.1. Amended by P.L.34-1987, SEC.279.*

## INDIANA CODE § 24-4.6

## ARTICLE 4.6. SPECIAL PROVISIONS CONCERNING CERTAIN TRANSACTIONS

## INDIANA CODE § 24-4.6-1

### Chapter 1. Interest Limits and Application of Other Laws

**IC 24-4.6-1-101 Money judgments**

Sec. 101. Except as otherwise provided by statute, interest on judgments for money whenever rendered shall be from the date of the return of the verdict or finding of the court until satisfaction at:

(1) the rate agreed upon in the original contract sued upon, which shall not exceed an annual rate of eight percent (8%) even though a higher rate of interest may properly have been charged according to the contract prior to judgment; or

(2) an annual rate of eight percent (8%) if there was no contract by the parties.

*(Formerly: Acts 1974, P.L.115, SEC.2.) As amended by Acts 1981, P.L.220, SEC.1; P.L.149-1988, SEC.1; P.L.208-1993, SEC.1.*

**IC 24-4.6-1-102 Rate in absence of agreement**

Sec. 102. When the parties do not agree on the rate, interest on loans or forbearances of money, goods or things in action shall be at the rate of eight percent (8%) per annum until payment of judgment.

*(Formerly: Acts 1974, P.L.115, SEC.2.)*

**IC 24-4.6-1-103 Date of accrual**

Sec. 103. Interest at the rate of eight percent (8%) per annum shall be allowed:

(a) From the date of settlement on money due on any instrument in writing which does not specify a rate of interest and which is not covered by IC 1971, 24-4.5 or this article;

(b) And from the date an itemized bill shall have been rendered and payment demanded on an account stated, account closed or for money had and received for the use of another and retained without his consent.

*(Formerly: Acts 1974, P.L.115, SEC.2.)*

**IC 24-4.6-1-104 Computation of interest; methods**

Sec. 104. (a) The parties may agree upon any method of computing interest on a loan or a forbearance of money, goods, or things in action if the amount of interest on the unpaid balances of the principal does not exceed any limitation imposed by law upon charges incident to the extension of credit.

(b) Methods of computing interest to which parties may agree under this section include the following:

(1) Simple interest on the unpaid balances of the principal.

(2) Simple interest on the outstanding balance of the principal to which is added past due installments of interest, the sum of which forms the principal upon which interest thereafter shall be computed. The addition to principal in this manner may occur repeatedly but not more frequently than daily.

(c) Unless the parties agree otherwise, the method of computing interest agreed upon under this section continues to apply after the term of the loan or forbearance, including after the award of a judgment on the loan or forbearance, until all principal and interest and the amount of any judgment are paid.

(d) If the parties do not agree on the method of computation, interest shall be computed and charged:

(1) at the rate agreed to by the parties or as provided in section 102 of this chapter; and

(2) according to the method described in subsection (b)(2).

*As added by P.L.140-1990, SEC.1.*

**IC 24-4.6-1-201 Law applicable to consumer credit sales or leases**

Sec. 201. IC 24-5-2-21 through IC 24-5-2-24 apply to consumer credit sales, consumer leases, and assignees thereof.

*(Formerly: Acts 1974, P.L.115, SEC.2.) As amended by P.L.10-2006, SEC.21 and P.L.57-2006, SEC.21.*

**IC 24-4.6-1-202 Applicability of IC 24-5-6 to sales at residence of consumer**

Sec. 202. The provisions of IC 24-5-6 (repealed) concerning sales at the residence of a consumer shall not apply to consumer credit sales or consumer leases but shall apply to all other sales at the residence of a consumer.

*(Formerly: Acts 1974, P.L.115, SEC.2.) As amended by P.L.10-2006, SEC.21 and P.L.57-2006, SEC.21.*

## INDIANA CODE § 24-5

## ARTICLE 5. CONSUMER SALES

## INDIANA CODE § 24-5-23.5

### Chapter 23.5. Real Estate Appraisals

**IC 24-5-23.5-1 "Appraisal"**

Sec. 1. (a) As used in this chapter, "appraisal" means an estimation that:

(1) represents the final opinion of the value of real property that is the subject of a real estate transaction; and

(2) serves as the basis for the extension of credit, in the case of a real estate transaction involving the making, refinancing, or consolidation of a mortgage loan.

(b) The term may include any of the following:

(1) The results of an automated valuation model.

(2) A broker's price opinion.

(3) A desktop evaluation.

*As added by P.L.52-2009, SEC.2.*

**IC 24-5-23.5-2 "Appraisal company"**

Sec. 2. As used in this chapter, "appraisal company" means a sole proprietorship, firm, corporation, partnership, limited liability company, limited liability partnership, joint venture, trust, or other business unit or association that:

(1) performs appraisals on a regular basis for compensation through one (1) or more owners, officers, employees, or agents; or

(2) holds itself out to the public as performing appraisals.

*As added by P.L.52-2009, SEC.2.*

**IC 24-5-23.5-3 "Creditor"**

Sec. 3. (a) As used in this chapter, "creditor" means a person:

(1) that regularly engages in Indiana in the extension of mortgage loans that are subject to a credit service charge or loan finance charge, as applicable, or are payable by written agreement in more than four (4) installments (not including a down payment); and

(2) to whom the obligation arising from a mortgage loan is initially payable, either on the face of the note or contract, or by agreement if there is not a note or contract.

(b) The term does not include a person described in:

(1) IC 24-9-2-6(a)(2) if the person described in IC 24-9-2-6(a)(2) is not the person extending the credit in the transaction; or

(2) IC 24-9-2-6(b).

*As added by P.L.52-2009, SEC.2.*

**IC 24-5-23.5-4 "Mortgage l Prohibition against corrupting or improperly influencing a real estate appraiser or an appraisal oan"**

Sec. 4. (a) As used in this chapter, "mortgage loan" means a loan in which a mortgage, deed of trust, or land contract that constitutes a lien is created or retained against an interest in real property in Indiana.

(b) The term includes the following:

(1) A home loan subject to IC 24-9.

(2) A loan described in IC 24-9-1-1, to the extent allowed under federal law.

(3) A first lien mortgage transaction (as defined in IC 24-4.4-1-301) subject to IC 24-4.4.

(4) A consumer credit sale subject to IC 24-4.5-2 in which a mortgage, deed of trust, or land contract that constitutes a lien is created or retained against an interest in real property in Indiana.

(5) A consumer credit loan subject to IC 24-4.5-3 in which a mortgage, deed of trust, or land contract that constitutes a lien is created or retained against an interest in real property in Indiana.

(6) A loan in which a mortgage, deed of trust, or land contract that constitutes a lien is created or retained against land:

(A) that is located in Indiana;

(B) upon which there is a dwelling that is not or will not be used by the borrower primarily for personal, family, or household purposes; and

(C) that is classified as residential for property tax purposes.

The term includes a loan that is secured by land in Indiana upon which there is a dwelling that is purchased by or through the borrower for investment or other business purposes.

*As added by P.L.52-2009, SEC.2. Amended by P.L.35-2010, SEC.88.*

**IC 24-5-23.5-5 "Real estate appraiser"**

Sec. 5. As used in this chapter, "real estate appraiser" means a person who prepares the appraisal for a real estate transaction in Indiana, regardless of whether the person is licensed or certified, or required to be licensed or certified, under the real estate appraiser licensure and certification program established under IC 25-34.1-3-8.

*As added by P.L.52-2009, SEC.2.*

**IC 24-5-23.5-6 "Real estate transaction"**

Sec. 6. As used in this chapter, "real estate transaction" means a transaction that involves one (1) or both of the following:

(1) The sale or lease of any legal or equitable interest in real estate located in Indiana.

(2) The making, refinancing, or consolidation of a mortgage loan.

*As added by P.L.52-2009, SEC.2.*

**IC 24-5-23.5-7 Prohibition against corrupting or improperly influencing a real estate appraiser or an appraisal**

Sec. 7. A person shall not corrupt or improperly influence, or attempt to corrupt or improperly influence:

(1) the independent judgment of a real estate appraiser with respect to the value of the real estate that is the subject of a real estate transaction; or

(2) the development, reporting, result, or review of an appraisal prepared in connection with a real estate transaction;

through bribery, coercion, extortion, intimidation, collusion, or any other manner.

*As added by P.L.52-2009, SEC.2.*

**IC 24-5-23.5-8 Creditor's duty to provide notice concerning homeowner protection unit's contact information and borrower's right to inspect settlement statement before closing; unit to prescribe form of notice; promotion of unit's contact information; information sharing; exemption from liability for disclosing suspected violation; report to legislative council of complaints received**

Sec. 8. (a) This subsection applies with respect to a completed application for a mortgage loan that is received by a creditor after December 31, 2009. A creditor shall, not later than three (3) business days after receiving a completed written application for mortgage loan from a borrower or prospective borrower, provide to the borrower or prospective borrower a notice, on a form prescribed by the homeowner protection unit under subsection (b), that includes the following:

(1) Contact information for the homeowner protection unit established by the attorney general under IC 4-6-12, including:

(A) an electronic mail address for the homeowner protection unit; and

(B) the toll free telephone number described in IC 4-6-12-3.5.

(2) A statement that the borrower or prospective borrower may contact the homeowner protection unit to report:
(A) a suspected violation of section 7 of this chapter; or
(B) other information about suspected fraudulent residential real estate transactions, as authorized by IC 4-6-12-3.5(b).
(3) A statement that the borrower in a real estate transaction that involves the making, refinancing, or consolidation of a mortgage loan has the right to inspect the HUD-1 or HUD-1A settlement statement during the business day immediately preceding settlement, as provided by the federal Real Estate Settlement Procedures Act (12 U.S.C. 2601 et seq.), as amended.
The creditor shall provide the notice required by this subsection by delivering it to the borrower or prospective borrower or placing it in the United States mail to the borrower or prospective borrower within the time prescribed by this subsection.

(b) Not later than September 1, 2009, the home owner protection unit established by the attorney general under IC 4-6-12 shall prescribe the form required under subsection (a) for use by creditors who receive completed written applications for mortgage loans after December 31, 2009.

(c) The homeowner protection unit established by the attorney general under IC 4-6-12, in cooperation with the real estate appraiser licensure and certification board created by IC 25-34.1-8-1, shall publicize and promote awareness of the availability of the:
(1) electronic mail address; and
(2) toll free telephone number;
described in subsection (a)(1) to accept complaints from real estate appraisers, creditors, borrowers, potential borrowers, and other persons concerning suspected violations of section 7 of this chapter.

(d) A creditor may share any information obtained concerning a suspected violation of section 7 of this chapter with the homeowner protection unit established by the attorney general under IC 4-6-12. The homeowner protection unit may, in turn, share any information received from a creditor under this subsection with the following:
(1) Federal, state, and local law enforcement agencies and federal regulatory agencies in accordance with IC 4-6-12-3(a)(4).
(2) Any entity listed in IC 4-6-12-4 that may have jurisdiction over any person who is suspected of violating section 7 of this chapter, including any entity that may have jurisdiction over the creditor or an agent of the creditor if the homeowner protection unit suspects that the creditor or an agent of the creditor has violated section 7 of this chapter. However, the homeowner protection unit and any entity listed in IC 4-6-12-4 that receives information under this subdivision shall treat the information, including information concerning the identity of the complainant, as confidential and shall exercise all necessary caution to avoid disclosure of the information, except as otherwise permitted or required by law.

(e) Any:
(1) real estate appraiser, creditor, borrower, potential borrower, or other person that makes, in good faith, a voluntarily disclosure of a suspected violation of section 7 of this chapter to the homeowner protection unit under this section or otherwise; and
(2) director, officer, manager, employee, or agent of a person described in subdivision (1) who makes, or requires another person to make, a disclosure described in subdivision (1);
is not liable to any person under any law or regulation of the United States, under any constitution, law, or regulation of any state or a political subdivision of any state, or under any contract or other legally enforceable agreement, including an arbitration agreement, for a disclosure described in subdivision (1) or for failing to provide notice of a disclosure described in subdivision (1) to any person who is the subject of the disclosure.

(f) Beginning in 2009, the report provided by the mortgage lending and fraud prevention task force to the legislative council under P.L.145-2008, SECTION 35, must include the following information:
(1) The total number of complaints or reports:
(A) received by the homeowner protection unit during the most recent state fiscal year; and
(B) concerning a suspected violation of section 7 of this chapter.
(2) From the total number of complaints or reports reported under subdivision (1), a breakdown of the sources of the complaints or reports, classified according to the complainants' interest in or relationship to the real estate transactions upon which the complaints or reports are based.
(3) A description of any:
(A) disciplinary or enforcement actions taken; or
(B) criminal prosecutions pursued;
by the homeowner protection unit or any entity listed in IC 4-6-12-4 and having jurisdiction in the matter, as applicable, in connection with the complaints or reports reported under subdivision (1).
The homeowner protection unit shall make available to the mortgage lending and fraud prevention task force any information necessary to provide the information required under this subsection in the task force's report to the legislative council.
*As added by P.L.52-2009, SEC.2.*

**IC 24-5-23.5-9 Violation a Class A misdemeanor and a deceptive act; action for injunctive relief by attorney general; civil penalty; cumulative enforcement procedures**

Sec. 9. (a) A person that knowingly or intentionally violates section 7 of this chapter commits:
(1) a Class A misdemeanor; and
(2) an act that is:
(A) actionable by the attorney general under IC 24-5-0.5; and
(B) subject to the penalties listed in IC 24-5-0.5.

(b) The attorney general may maintain an action in the name of the state of Indiana to enjoin a person from violating section 7 of this chapter. A court in which the action is brought may:
(1) issue an injunction;
(2) order the person to make restitution;
(3) order the person to reimburse the state for the attorney general's reasonable costs of investigating and prosecuting the violation; and
(4) impose a civil penalty of not more than ten thousand dollars ($10,000) per violation.

(c) A person that violates an injunction issued under this section is subject to a civil penalty of not more than ten thousand dollars ($10,000) per violation. The court that issues the injunction retains jurisdiction over a proceeding seeking the imposition of a civil penalty under this subsection.

(d) A civil penalty imposed and collected under this section shall be deposited in the investigative fund established by IC 25-34.1-8-7.5.

(e) The enforcement procedures established by this section are cumulative and an enforcement procedure available under this section is supplemental to any other enforcement procedure available under:
(1) this section; or
(2) any other state or federal law, rule, or regulation;
for a violation of section 7 of this chapter.
*As added by P.L.52-2009, SEC.2.*

## INDIANA CODE § 32-21

## ARTICLE 21. CONVEYENCE PROCEDURES FOR REAL PROPERTY

## INDIANA CODE § 32-21-5

### Chapter 5. Residential Real Estate Sales Disclosure

**IC 32-21-5-1 Applicability of chapter**

Sec. 1. (a) This chapter applies only to a sale of, an exchange of, an installment sales contract for, or a lease with option to buy residential real estate that contains not more than four (4) residential dwelling units.

(b) This chapter does not apply to the following:

(1) Transfers ordered by a court, including transfers:

(A) in the administration of an estate;

(B) by foreclosure sale;

(C) by a trustee in bankruptcy;

(D) by eminent domain;

(E) from a decree of specific performance;

(F) from a decree of divorce; or

(G) from a property settlement agreement.

(2) Transfers by a mortgagee who has acquired the real estate at a sale conducted under a foreclosure decree or who has acquired the real estate by a deed in lieu of foreclosure.

(3) Transfers by a fiduciary in the course of the administration of the decedent's estate, guardianship, conservatorship, or trust.

(4) Transfers made from at least one (1) co-owner solely to at least one (1) other co-owner.

(5) Transfers made solely to any combination of a spouse or an individual in the lineal line of consanguinity of at least one (1) of the transferors.

(6) Transfers made because of the record owner's failure to pay any federal, state, or local taxes.

(7) Transfers to or from any governmental entity.

(8) Transfers involving the first sale of a dwelling that has not been inhabited.

(9) Transfers to a living trust.

*As added by P.L.2-2002, SEC.6.*

**IC 32-21-5-2 "Buyer" defined**

Sec. 2. As used in this chapter, "buyer" means a transferee in a transaction described in section 1 of this chapter.

*As added by P.L.2-2002, SEC.6.*

**IC 32-21-5-3 "Closing" defined**

Sec. 3. As used in this chapter, "closing" means a transfer of an interest described in section 1 of this chapter by a deed, installment sales contract, or lease.

As added by P.L.2-2002, SEC.6.

**IC 32-21-5-4 "Defect" defined**

Sec. 4. As used in connection with disclosure forms required by this chapter, "defect" means a condition that would have a significant adverse effect on the value of the property, that would significantly impair the health or safety of future occupants of the property, or that if not repaired, removed, or replaced would significantly shorten or adversely affect the expected normal life of the premises.

*As added by P.L.2-2002, SEC.6.*

**IC 32-21-5-5 "Disclosure form" defined**

Sec. 5. As used in this chapter, "disclosure form" refers to a disclosure form prepared under section 8 of this chapter or a disclosure form that meets the requirements of section 8 of this chapter.

*As added by P.L.2-2002, SEC.6.*

**IC 32-21-5-5.5 "Methamphetamine laboratory web site" defined**

*(Repealed by P.L.3-2008, SEC.269.)*

**IC 32-21-5-6 "Owner" defined**

Sec. 6. As used in this chapter, "owner" means the owner of residential real estate that is for sale, exchange, lease with an option to buy, or sale under an installment contract.

*As added by P.L.2-2002, SEC.6.*

**IC 32-21-5-7 Disclosure form; contents**

Sec. 7. The Indiana real estate commission established by IC 25-34.1-2-1 shall adopt a specific disclosure form that contains the following:

(1) Disclosure by the owner of the known condition of the following:

(A) The foundation.

(B) The mechanical systems.

(C) The roof.

(D) The structure.

(E) The water and sewer systems.

(F) Additions that may require improvements to the sewage disposal system.

(G) Other areas that the Indiana real estate commission determines are appropriate.

(2) A notice to the prospective buyer that contains substantially the following language:

"The prospective buyer and the owner may wish to obtain professional advice or inspections of the property and provide for appropriate provisions in a contract between them concerning any advice, inspections, defects, or warranties obtained on the property.".

(3) A notice to the prospective buyer that contains substantially the following language:

"The representations in this form are the representations of the owner and are not the representations of the agent, if any. This information is for disclosure only and is not intended to be a part of any contract between the buyer and owner.".

(4) A disclosure by the owner that an airport is located within a geographical distance from the property as determined by the Indiana real estate commission. The commission may consider the differences between an airport serving commercial airlines and an airport that does not serve commercial airlines in determining the distance to be disclosed.

*As added by P.L.2-2002, SEC.6. Amended by P.L.1-2003, SEC.83.*

**IC 32-21-5-8 Owner prepared disclosure form**

Sec. 8. An owner may prepare or use a disclosure form that contains the information required in the disclosure form under section 7 of this chapter and any other information the owner determines is appropriate.

*As added by P.L.2-2002, SEC.6.*

**IC 32-21-5-9 Disclosure form distinguished from warranty**

Sec. 9. A disclosure form is not a warranty by the owner or the owner's agent, if any, and the disclosure form may not be used as a substitute for any inspections or warranties that the prospective buyer or owner may later obtain.

*As added by P.L.2-2002, SEC.6.*

**IC 32-21-5-10 Disclosure form; presentation required before acceptance of offer**

Sec. 10. (a) An owner must complete and sign a disclosure form and submit the form to a prospective buyer before an offer for the sale of the residential real estate is accepted.

(b) An appraiser retained to appraise the residential real estate for which the disclosure form has been prepared shall be given a copy of the form upon request. This subsection applies only to appraisals made for the buyer or an entity from which the buyer is seeking financing.

(c) Before closing, an accepted offer is not enforceable against the buyer until the owner and the prospective buyer have signed the disclosure form. After closing, the failure of the owner to deliver a disclosure statement form to the buyer does not by itself invalidate a real estate transaction.

*As added by P.L.2-2002, SEC.6.*

**IC 32-21-5-11 Owner liability for errors in form**

Sec. 11. The owner is not liable for any error, inaccuracy, or omission of any information required to be delivered to the prospective buyer under this chapter if:

(1) the error, inaccuracy, or omission was not within the actual knowledge of the owner or was based on information provided by a public agency or by another person with a professional license or special knowledge who provided a written or oral report or opinion that the owner reasonably believed to be correct; and

(2) the owner was not negligent in obtaining information from a third party and transmitting the information.

*As added by P.L.2-2002, SEC.6.*

**IC 32-21-5-12 Matters arising after form delivered; requirement to disclose at settlement; unknown or unavailable information**

Sec. 12. (a) An owner does not violate this chapter if the owner subsequently discovers that the disclosure form is inaccurate as a result of any act, circumstance, information received, or agreement subsequent to the delivery of the disclosure form. However, at or before settlement, the owner is required to disclose any material change in the physical condition of the property or certify to the purchaser at settlement that the condition of the property is substantially the same as it was when the disclosure form was provided.

(b) If at the time disclosures are required to be made under subsection (a) an item of information required to be disclosed is unknown or not available to the owner, the owner may state that the information is unknown or may use an approximation of the information if the approximation is clearly identified, is reasonable, is based on the actual knowledge of the owner, and is not used to circumvent the disclosure requirements of this chapter.

*As added by P.L.2-2002, SEC.6.*

**IC 32-21-5-13 Disclosure of defect after offer accepted; buyer's right to nullify contract; return of deposits**

Sec. 13. (a) Notwithstanding section 12 of this chapter, if a prospective buyer receives a disclosure form or an amended disclosure form after an offer has been accepted that discloses a defect, the prospective buyer may after receipt of the disclosure form and within two (2) business days nullify the contract by delivering a written rescission to the owner or the owner's agent, if any.

(b) A prospective buyer is not liable for nullifying a contract under this section and is entitled to a return of any deposits made in the transaction.

*As added by P.L.2-2002, SEC.6.*

## INDIANA CODE § 32-21-6

### Chapter 6. Psychologically Affected Properties

**IC 32-21-6-1 "Agent" defined**

Sec. 1. As used in this chapter, "agent" means a real estate agent or other person acting on behalf of the owner or transferee of real estate or acting as a limited agent.

*As added by P.L.2-2002, SEC.6.*

**IC 32-21-6-2 "Limited agent" defined**

Sec. 2. As used in this chapter, "limited agent" means an agent who, with the written and informed consent of all parties to a real estate transaction, is engaged by both the seller and buyer or both the landlord and tenant.

*As added by P.L.2-2002, SEC.6.*

**IC 32-21-6-3 "Psychologically affected property" defined**

Sec. 3. As used in this chapter, "psychologically affected property" includes real estate or a dwelling that is for sale, rent, or lease and to which one (1) or more of the following facts or a reasonable suspicion of facts apply:

(1) That an occupant of the property was afflicted with or died from a disease related to the human immunodeficiency virus (HIV).

(2) That an individual died on the property.

(3) That the property was the site of:

(A) a felony under IC 35;

(B) criminal gang (as defined in IC 35-45-9-1) activity;

(C) the discharge of a firearm involving a law enforcement officer while engaged in the officer's official duties; or

(D) the illegal manufacture or distribution of a controlled substance.

*As added by P.L.2-2002, SEC.6.*

**IC 32-21-6-4 "Transferee" defined**

Sec. 4. As used in this chapter, "transferee" means a purchaser, tenant, lessee, prospective purchaser, prospective tenant, or prospective lessee of the real estate or dwelling.

*As added by P.L.2-2002, SEC.6.*

**IC 32-21-6-5 Disclosure not required**

Sec. 5. An owner or agent is not required to disclose to a transferee any knowledge of a psychologically affected property in a real estate transaction.

*As added by P.L.2-2002, SEC.6.*

**IC 32-21-6-6 Refusal to disclose; misrepresentation**

Sec. 6. An owner or agent is not liable for the refusal to disclose to a transferee:

(1) that a dwelling or real estate is a psychologically affected property; or

(2) details concerning the psychologically affected nature of the dwelling or real estate.

However, an owner or agent may not intentionally misrepresent a fact concerning a psychologically affected property in response to a direct inquiry from a transferee.

*As added by P.L.2-2002, SEC.6.*

## INDIANA CODE § 25-1

## ARTICLE 1. GENERAL PROVISIONS

## INDIANA CODE § 25-1-1

### Chapter 1. Evidence of License Applicant's Payment of Personal Property Taxes Required

**IC 25-1-1-1 Issuance of license; evidence of payment of personal property tax**

Sec. 1. It is unlawful for any board, officer, or person to issue any license, as defined in section 2 of this chapter, to any person who is a resident of this state, unless the applicant, at the time he applies for such license, submits, in addition to all other requirements prescribed by law, a receipt or other evidence showing that he has paid all his personal property taxes in full. "Other evidence" in the case of all licenses issued by the bureau of motor vehicles means a statement signed by the treasurer of the county in which the applicant is a resident that the applicant has paid all personal taxes assessed against him, including all delinquent personal property tax; or, if the applicant owns no personal property subject to taxation, a signed statement from the assessor of the county in which the applicant resides certifying that he has made an affidavit to the effect that he owes no delinquent personal property tax in any county in Indiana.

*(Formerly: Acts 1931, c.124, s.1; Acts 1941, c.61, s.1; Acts 1943, c.124, s.1; Acts 1953, c.208, s.1.) As amended by Acts 1978, P.L.2, SEC.2501.*

**IC 25-1-1-2 License defined**

Sec. 2. The term "license" as used in this chapter shall be construed to mean and include motor vehicle registration licenses, certificates of title showing the ownership of any motor vehicle, except those classed as passenger vehicles.

*(Formerly: Acts 1931, c.124, s.2; Acts 1972, P.L.183, SEC.1.)*

**IC 25-1-1-3 Repealed**

(*Repealed by Acts 1978, P.L.2, SEC.2570.)*

**IC 25-1-1-4 Repealed**

(*Repealed by Acts 1978, P.L.2, SEC.2570.)*

## INDIANA CODE § 25-1-1.1

### Chapter 1.1. Effect of Criminal Convictions on Licensed or Registered Persons

**IC 25-1-1.1-1 Denial, revocation, or suspension of license or certificate of registration; conviction of crime**

Sec. 1. Except as provided under sections 2 through 3 of this chapter, a license or certificate of registration that an individual is required by law to hold to engage in a business, profession, or occupation may not be denied, revoked, or suspended because the applicant or holder has been convicted of an offense. The acts from which the applicant's or holder's conviction resulted may, however, be considered as to whether the applicant or holder should be entrusted to serve the public in a specific capacity.

*(Formerly: Acts 1973, P.L.249, SEC.1.) As amended by Acts 1978, P.L.2, SEC.2502; P.L.67-1990, SEC.6.*

**IC 25-1-1.1-2 Suspension or revocation of license or certificate; conviction for drug related offense**

Sec. 2. A board, a commission, or a committee may suspend or revoke a license or certificate issued under this title by the board, the commission, or the committee if the individual who holds the license or certificate is convicted of any of the following:

(1) Possession of cocaine or a narcotic drug under IC 35-48-4-6.
(2) Possession of methamphetamine under IC 35-48-4-6.1.
(3) Possession of a controlled substance under IC 35-48-4-7(a).
(4) Fraudulently obtaining a controlled substance under IC 35-48-4-7(b).
(5) Manufacture of paraphernalia as a Class D felony under IC 35-48-4-8.1(b).
(6) Dealing in paraphernalia as a Class D felony under IC 35-48-4-8.5(b).
(7) Possession of paraphernalia as a Class D felony under IC 35-48-4-8.3(b).
(8) Possession of marijuana, hash oil, or hashish as a Class D felony under IC 35-48-4-11.
(9) Maintaining a common nuisance under IC 35-48-4- 13.
(10) An offense relating to registration, labeling, and prescription forms under IC 35-48-4-14.
(11) Conspiracy under IC 35-41-5-2 to commit an offense listed in subdivisions (1) through (10).
(12) Attempt under IC 35-41-5-1 to commit an offense listed in subdivisions (1) through (10).
(13) An offense in any other jurisdiction in which the elements of the offense for which the conviction was entered are substantially similar to the elements of an offense described under subdivisions (1) through (12).

*As added by P.L.67-1990, SEC.7. Amended by P.L.1-1991, SEC.162; P.L.17-2001, SEC.5; P.L.151-2006, SEC.10.*

**IC 25-1-1.1-3 Suspension or revocation of license or certificate; conviction for additional drug related offenses**

Sec. 3. A board, a commission, or a committee shall revoke or suspend a license or certificate issued under this title by the board, the commission, or the committee if the individual who holds the license or certificate is convicted of any of the following:

(1) Dealing in or manufacturing cocaine or a narcotic drug under IC 35-48-4-1.
(2) Dealing in methamphetamine under IC 35-48-4-1.1.
(3)Dealing in a schedule I, II, or III controlled substance under IC 35-48-4-2.
(4) Dealing in a schedule IV controlled substance under IC 35-48-4-3.
(5) Dealing in a schedule V controlled substance under IC 35-48-4-4.
(6) Dealing in a substance represented to be a controlled substance under IC 35-48-4-4.5.
(7) Knowingly or intentionally manufacturing, advertising, distributing, or possessing with intent to manufacture, advertise, or distribute a substance represented to be a controlled substance under IC 35-48-4-4.6.
(8) Dealing in a counterfeit substance under IC 35-48-4-5.
(9) Dealing in marijuana, hash oil, or hashish under IC 35-48-4-10(b).
(10) Conspiracy under IC 35-41-5-2 to commit an offense listed in subdivisions (1) through (9).
(11) Attempt under IC 35-41-5-1 to commit an offense listed in subdivisions (1) through (9).
(12) An offense in any other jurisdiction in which the elements of the offense for which the conviction was entered are substantially similar to the elements of an offense described under subdivisions (1) through (11).
(13) A violation of any federal or state drug law or rule related to wholesale legend drug distributors licensed under IC 25-26-14.

*As added by P.L.67-1990, SEC.8. Amended by P.L.182-1991, SEC.1; P.L.17-2001, SEC.6; P.L.1-2002, SEC.94; P.L.151-2006, SEC.11.*

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## INDIANA CODE § 25-1-1.2

### Chapter 1.2. Effect of Delinquency in Child Support Payments on Licensed or Registered Persons

**IC 25-1-1.2-1 "Applicant" defined**

Sec. 1. As used in this chapter, "applicant" means a person who applies for:

(1) an unlimited license, certificate, registration, or permit;
(2) a limited or probationary license, certificate, registration, or permit;
(3) a temporary license, certificate, registration, or permit; or
(4) an intern permit;

issued by a board regulating a profession or an occupation.
*As added by P.L.133-1995, SEC.19.*

**IC 25-1-1.2-2 "Board" defined**

Sec. 2. As used in this chapter, "board" means an entity that regulates occupations or professions under this title and the department of education established by IC 20-19-3-1.
*As added by P.L.133-1995, SEC.19. Amended by P.L. 1-2005, SEC. 191; P.L. 246-2005, SEC. 210.*

**IC 25-1-1.2-3 "Bureau" defined**

Sec. 3. As used in this chapter, "bureau" means the child support bureau established by IC 31-25-3-1.
*As added by P.L.133-1995, SEC.19. Amended by P.L.145-2006, SEC.157.*

**IC 25-1-1.2-4 "Delinquent" defined**

Sec. 4. As used in this chapter, "delinquent" means at least:

(1) two thousand dollars ($2,000); or
(2) three (3) months;

past due on payment of court ordered child support.
*As added by P.L.133-1995, SEC.19. Amended by P.L.23-1996, SEC.18.*

**IC 25-1-1.2-5 "License" defined**

Sec. 5. As used in this chapter, "license" has the meaning set forth in IC 25-1-2-6.
*As added by P.L.133-1995, SEC.19.*

**IC 25-1-1.2-6 "Practitioner" defined**

Sec. 6. As used in this chapter, "practitioner" means a person that holds:

(1) an unlimited license, certificate, registration, or permit;
(2) a limited or probationary license, certificate, registration, or permit;
(3) a temporary license, certificate, registration, or permit; or
(4) an intern permit;

issued by a board regulating a profession or an occupation.
*As added by P.L.133-1995, SEC.19.*

**IC 25-1-1.2-7 Order for suspension or denial of license; notice to practitioner; contents; reinstatement**

Sec. 7. (a) Upon receiving an order of a court issued under IC 31-14-12-5 or IC 31-16-12-8 (or IC 31-1-11.5-13(k) or IC 31-6-6.1-16(k) before their repeal), the board shall:

(1) suspend the license of the practitioner; or
(2) deny the application of the applicant;

who is the subject of the order.

(b) Upon receiving an order of a court issued under IC 31-14-12-5 or IC 31-16-12-8 (or IC 31-1-11.5-13(k) or IC 31-6-6.1-16(k) before their repeal), the board shall promptly mail a notice to the last known address of the person who is the subject of the order, stating the following:

(1) That the practitioner's license has been suspended, beginning five (5) business days after the date the notice is mailed, and that the suspension will terminate ten (10) business days after the board receives an order allowing reinstatement from the court that issued the suspension order.
(2) That the practitioner has the right to petition for reinstatement of the practitioner's license to the court that issued the order for suspension.

(c) The board may not reinstate a license suspended under this section until the board receives an order allowing reinstatement from the court that issued the order for suspension.
*As added by P.L.133-1995, SEC.19. Amended by P.L.23-1996, SEC.19; P.L.1-1997, SEC.109.*

**IC 25-1-1.2-8 Notice of delinquency; contents; delinquency finding; probationary status; suspension; reinstatement**

Sec. 8. (a) The board shall, upon receiving an order from the bureau under IC 31-25-4-32(e), send a notice to the practitioner identified by the bureau that includes the following:

(1) Specifies that the practitioner is delinquent and is subject to an order placing the practitioner on probationary status.
(2) Describes the amount of child support that the practitioner is in arrears.
(3) Explains that unless the practitioner contacts the bureau and:
  (A) pays the practitioner's child support arrearage in full;
  (B) establishes a payment plan with the bureau to pay the arrearage, which must include an income withholding order under IC 31-16-15-2 or IC 31-16-15-2.5; or
  (C) requests a hearing under IC 31-25-4-33;

within twenty (20) days after the date the notice is mailed, the board shall place the practitioner on probationary status.
(4) Explains that the practitioner may contest the bureau's determination that the practitioner is delinquent and subject to an order placing the practitioner on probationary status by making written application to the bureau within twenty (20) days after the date the notice is mailed.
(5) Explains that the only basis for contesting the bureau's determination that the practitioner is delinquent and subject to an order placing the practitioner on probationary status is a mistake of fact.
(6) Explains the procedures to:
  (A) pay the practitioner's child support arrearage in full;
  (B) establish a payment plan with the bureau to pay the arrearage, which must include an income withholding order under IC 31-16-15-2 or IC 31-16-15-2.5;
  (C) request a hearing under IC 31-25-4-33.
(7) Explains that the probation will terminate ten (10) business days after the board receives a notice from the bureau that the practitioner has:
  (A) paid the practitioner's child support arrearage in full; or
  (B) established a payment plan with the bureau to pay the arrearage which includes an income withholding order under IC 31-16-15-2 or IC 31-16-15-2.5.

(b) If the board is advised by the bureau that the practitioner either requested a hearing and failed to appear or appeared and was found to be delinquent, the board shall promptly mail a notice to the practitioner who is the subject of the order stating the following:

(1) That the practitioner's license has been placed on probationary status, beginning five (5) business days after the date the notice is

mailed, and that the probation will terminate ten (10) business days after the board receives a notice from the bureau that the person has:

(A) paid the person's child support arrearage in full; or

(B) established a payment plan with the bureau to pay the arrearage which includes an income withholding order under IC 31-16-15-2 or IC 31-16-15-2.5.

(2) That if the board is advised by the bureau that the practitioner whose license has been placed on probationary status has failed to:

(A) pay the person's child support arrearage in full; or

(B) establish a payment plan with the bureau to pay the arrearage which includes an income withholding order under IC 31-16-15-2 or IC 31-16-15-2.5;

within twenty (20) days after the date the notice is mailed, the board shall suspend the practitioner's license.

(c) If the board is advised by the bureau that the practitioner whose license has been placed on probationary status has failed to:

(1) pay the person's child support arrearage in full; or

(2) establish a payment plan with the bureau to pay the arrearage which includes an income withholding order under IC 31-16-15-2 IC 31-16-15-2.5;

within twenty (20) days after the date the notice is mailed, the board shall suspend the practitioner's license.

(d) The board may not reinstate a license or permit placed on probation or suspended under this section until the board receives a notice from the bureau that the person has:

(1) paid the person's child support arrearage in full; or

(2) established a payment plan with the bureau to pay the arrearage which includes an income withholding order under IC 31-16-15-2 or IC 31-16-15-2.5.

*As added by P.L.133-1995, SEC.19. Amended by P.L.23-1996, SEC.20; P.L.1-1997, SEC.110; P.L.145-2006, SEC.158; P.L.103-2007, SEC.7.*

**IC 25-1-1.2-9 Repealed**

(*Repealed by P.L.23-1996, SEC.33.)*

**IC 25-1-1.2-10 Repealed**

(*Repealed by P.L.23-1996, SEC.33.)*

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## INDIANA CODE § 25-1-2

### Chapter 2. Renewal of Licenses Granted by State Agencies. Notice of Expiration

**IC 25-1-2-1 Declaration of intent**

Sec. 1. It is the declared intent of the general assembly by the enactment of this law to require those agencies which are authorized to issue the licenses designated in section 2.1 of this chapter, in the interests of efficiency and economy in the administration of government, to issue such designated permits, licenses, certificates of registration, and other evidences of compliance with statute or regulation, and renewals thereof, for periods of two (2) years duration rather than upon an annual basis, and at the time of issuance or reissuance, or at the time designated by law for the collection of fees therefore, to require the payment of such fees for a period of two (2) years rather than for one (1) year.

*(Formerly: Acts 1961, c.79, s.1.) As amended by P.L.1-1990, SEC.246.*

**IC 25-1-2-2 Repealed**

(*Repealed by P.L.1-1990, SEC.247.)*

**IC 25-1-2-2.1 Two year or longer period for certain licenses**

Sec. 2.1. Rather than being issued annually, the following permits, licenses, certificates of registration, or evidences of authority granted by a state agency must be issued for a period of two (2) years or for the period specified in the article under which the permit, license, certificate of registration, or evidence of authority is issued if the period specified in the article is longer than two (2) years:

(1) Certified public accountants, public accountants, and accounting practitioners.

(2) Architects and landscape architects.

(3) Dry cleaners.

(4) Professional engineers.

(5) Land surveyors.

(6) Real estate brokers.

(7) Real estate agents.

(8) Security dealers' licenses issued by the securities commissioner.

(9) Dental hygienists.

(10) Dentists.

(11) Veterinarians.

(12) Physicians.

(13) Chiropractors.

(14) Physical therapists.

(15) Optometrists.

(16) Pharmacists and assistants, drugstores or pharmacies.

(17) Motels and mobile home community licenses.

(18) Nurses.

(19) Podiatrists.

(20) Occupational therapists and occupational therapy assistants.

(21) Respiratory care practitioners.

(22) Social workers, marriage and family therapists, and mental health counselors.

(23) Real estate appraiser licenses and certificates issued by the real estate appraiser licensure and certification board.

(24) Wholesale legend drug distributors.

(25) Physician assistants.

(26) Dietitians.

(27) Athlete agents.

(28) Manufactured home installers.

(29) Home inspectors.

(30) Massage therapists.

(31) Interior designers.

(32) Genetic counselors.

*As added by P.L.1-1990, SEC.248. Amended by P.L.186-1990, SEC.1; P.L.183-1991, SEC.1; P.L.182-1991, SEC.2; P.L.25-1992, SEC.26; P.L.227-1993, SEC.2; P.L.124-1994, SEC.1; P.L.234-1995, SEC.1; P.L.175-1997, SEC.2; P.L.147-1997, SEC.5; P.L.84-1998, SEC.1; P.L.54-2001, SEC.3; P.L.162-2002, SEC.1; P.L.145-2003, SEC.1; P.L. 87-2005, SEC. 31; P.L.200-2007, SEC.2; P.L.3-2008, SEC.175; P.L.177-2009, SEC.10; P.L.84-2010, SEC.6.*

**IC 25-1-2-3 Authorization to issue and reissue two year licenses**

Sec. 3. Effective October 1, 1961, such licensing agencies as are authorized to issue any of the foregoing shall issue and reissue such licenses and collect the fees for the same on the basis of two (2) years and the dates by month and day which govern the issuance or reissuance of licenses for one (1) year shall govern the issuance or reissuance of licenses for two (2) years; provided, that entire fees for a two (2) year period shall be payable before issuance thereof on the day and month designated for payment of fees for one (1) year licenses.

*(Formerly: Acts 1961, c.79, s.3.) As amended by Acts 1982, P.L.154, SEC.1.*

**IC 25-1-2-4 Rebates and proration of fees**

Sec. 4. Rebates and proration of fees for fractions of a biennium shall be allowed only with respect to the second year of such license if claim be made therefor before the expiration of the first year for which the

license was issued.
*(Formerly: Acts 1961, c.79, s.4.)*

**IC 25-1-2-5 Rules and regulations**

Sec. 5. Notice shall be given and forms prepared by such licensing agencies as necessary to execute the provisions of this chapter and in order to expedite and effectuate the conversion from one (1) year licensing periods to those of two (2) years, such licensing agencies may adopt and promulgate such rules and regulations they may deem necessary in the manner prescribed by law.
*(Formerly: Acts 1961, c.79, s.5.) As amended by Acts 1982, P.L.154, SEC.2.*

**IC 25-1-2-6 Version b; Definitions; application of section; notice to licensee of need to renew**

Sec. 6. (a) As used in this section, "license" includes all occupational and professional licenses, registrations, permits, and certificates issued under the Indiana Code, and "licensee" includes all occupational and professional licensees, registrants, permittees, and certificate holders regulated under the Indiana Code.

(b) This section applies to the following entities that regulate occupations or professions under the Indiana Code:

(1) Indiana board of accountancy.
(2) Indiana grain buyers and warehouse licensing agency.
(3) Indiana auctioneer commission.
(4) Board of registration for architects and landscape architects.
(5) State board of cosmetology and barber examiners.
(6) Medical licensing board of Indiana.
(7) Secretary of state.
(8) State board of dentistry.
(9) State board of funeral and cemetery service.
(10) Worker's compensation board of Indiana.
(11) Indiana state board of health facility administrators.
(12) Committee of hearing aid dealer examiners.
(13) Indiana state board of nursing.
(14) Indiana optometry board.
(15) Indiana board of pharmacy.
(16) Indiana plumbing commission.
(17) Board of podiatric medicine.
(18) Private investigator and security guard licensing board.
(19) State board of registration for professional engineers.
(20) State psychology board.
(21) Indiana real estate commission.
(22) Speech-language pathology and audiology board.
(23) Department of natural resources.
(24) State athletic commission.
(25) Board of chiropractic examiners.
(26) Mining board.
(27) Indiana board of veterinary medical examiners.
(28) State department of health.
(29) Indiana physical therapy committee.
(30) Respiratory care committee.
(31) Occupational therapy committee.
(32) Behavioral health and human services licensing board.
(33) Real estate appraiser licensure and certification board.
(34) State board of registration for land surveyors.
(35) Physician assistant committee.
(36) Indiana dietitians certification board.
(37) Attorney general (only for the regulation of athlete agents).
(38) Manufactured home installer licensing board.
(39) Home inspectors licensing board.
(40) State board of massage therapy.
(41) Any other occupational or professional agency created after June 30, 1981.

(c) Notwithstanding any other law, the entities included in subsection (b) shall send a notice of the upcoming expiration of a license to each licensee at least sixty (60) days prior to the expiration of the license. The notice must inform the licensee of the need to renew and the requirement of payment of the renewal fee. If this notice of expiration is not sent by the entity, the licensee is not subject to a sanction for failure to renew if, once notice is received from the entity, the license is renewed within forty-five (45) days of the receipt of the notice.
*As added by Acts 1981, P.L.221, SEC.1. Amended by P.L.137-1985, SEC.5; P.L.246-1985, SEC.13; P.L.169-1985, SEC.22; P.L.149-1987, SEC.17; P.L.5-1988, SEC.132; P.L.28-1988, SEC.73; P.L.242-1989, SEC.4; P.L.234-1989, SEC.1; P.L.238-1989, SEC.4; P.L.186-1990, SEC.2; P.L.183-1991, SEC.2; P.L.23-1991, SEC.7; P.L.48-1991, SEC.12; P.L.2-1992, SEC.765; P.L.227-1993, SEC.3; P.L.33-1993, SEC.9; P.L.124-1994, SEC.2; P.L.175-1997, SEC.3; P.L.125-1997, SEC.17; P.L.147-1997, SEC.6; P.L.253-1997(ss), SEC.22; P.L.24-1999, SEC.2; P.L.82-2000, SEC.2; P.L.54-2001, SEC.4; P.L.162-2002, SEC.2; P.L.145-2003, SEC.2; P.L.185-2007, SEC.1; P.L.200-2007, SEC.3; P.L.3-2008, SEC.176; P.L.122-2009, SEC.1; P.L.160-2009, SEC.4; P.L. 1-2010, SEC.100; P.L.84-2010, SEC.7.*

**IC 25-1-2-6 Version c; Definitions; application of section; notice to licensee of need to renew**

Sec. 6. (a) As used in this section, "license" includes all occupational and professional licenses, registrations, permits, and certificates issued under the Indiana Code, and "licensee" includes all occupational and professional licensees, registrants, permittees, and certificate holders regulated under the Indiana Code.

(b) This section applies to the following entities that regulate occupations or professions under the Indiana Code:

(1) Indiana board of accountancy.
(2) Indiana grain buyers and warehouse licensing agency.
(3) Indiana auctioneer commission.
(4) Board of registration for architects and landscape architects.
(5) State board of barber examiners.
(6) State board of cosmetology examiners.
(7) Medical licensing board of Indiana.
(8) Secretary of state.
(9) State board of dentistry.
(10) State board of funeral and cemetery service.
(11) Worker's compensation board of Indiana.
(12) Indiana state board of health facility administrators.
(13) Committee of hearing aid dealer examiners.
(14) Indiana state board of nursing.
(15) Indiana optometry board.
(16) Indiana board of pharmacy.
(17) Indiana plumbing commission.
(18) Board of podiatric medicine.
(19) Private investigator and security guard licensing board.
(20) State board of registration for professional engineers.
(21) Board of environmental health specialists.
(22) State psychology board.
(23) Indiana real estate commission.
(24) Speech-language pathology and audiology board.
(25) Department of natural resources.
(26) Board of chiropractic examiners.
(27) Mining board.
(28) Indiana board of veterinary medical examiners.
(29) State department of health.
(30) Indiana physical therapy committee.
(31) Respiratory care committee.
(32) Occupational therapy committee.
(33) Behavioral health and human services licensing board.
(34) Real estate appraiser licensure and certification board.

(35) State board of registration for land surveyors.
(36) Physician assistant committee.
(37) Indiana dietitians certification board.
(38) Indiana hypnotist committee.
(39) Attorney general (only for the regulation of athlete agents).
(40) Manufactured home installer licensing board.
(41) Home inspectors licensing board.
(42) State board of massage therapy.
(43) Any other occupational or professional agency created after June 30, 1981.

(c) Notwithstanding any other law, the entities included in subsection (b) shall send a notice of the upcoming expiration of a license to each licensee at least sixty (60) days prior to the expiration of the license. The notice must inform the licensee of the need to renew and the requirement of payment of the renewal fee. If this notice of expiration is not sent by the entity, the licensee is not subject to a sanction for failure to renew if, once notice is received from the entity, the license is renewed within forty-five (45) days of the receipt of the notice.

*As added by Acts 1981, P.L.221, SEC.1. Amended by P.L.137-1985, SEC.5; P.L.246-1985, SEC.13; P.L.169-1985, SEC.22; P.L.149-1987, SEC.17; P.L.5-1988, SEC.132; P.L.28-1988, SEC.73; P.L.242-1989, SEC.4; P.L.234-1989, SEC.1; P.L.238-1989, SEC.4; P.L.186-1990, SEC.2; P.L.183-1991, SEC.2; P.L.23-1991, SEC.7; P.L.48-1991, SEC.12; P.L.2-1992, SEC.765; P.L.227-1993, SEC.3; P.L.33-1993, SEC.9; P.L.124-1994, SEC.2; P.L.175-1997, SEC.3; P.L.125-1997, SEC.17; P.L.147-1997, SEC.6; P.L.253-1997(ss), SEC.22; P.L.24-1999, SEC.2; P.L.82-2000, SEC.2; P.L.54-2001, SEC.4; P.L.162-2002, SEC.2; P.L.145-2003, SEC.2; P.L.185-2007, SEC.1; P.L.200-2007, SEC.3; P.L.3-2008, SEC.176; P.L.122-2009, SEC.1; P.L.160-2009, SEC.4; P.L.1-2010, SEC.100; P.L.113-2010, SEC.100.*

**IC 25-1-2-7 Application of IC 25-1-2-6**

Sec. 7. Section 6 of this chapter applies to the mining board (IC 22-10-1.5-2).

*As added by P.L.37-1985, SEC.56.*

**IC 25-1-2-8 Application of chapter; fees**

Sec. 8. This chapter applies to the imposition and collection of fees under the following:

IC 14-24-10
IC 16-19-5-2
IC 25-30-1-17
IC 33-42-2-1.

*As added by P.L.5-1988, SEC.133. Amended by P.L.2-1993, SEC.135; P.L.1-1995, SEC.69; P.L.98-2004, SEC.98.*

**IC 25-1-2-9 Repealed**

*(Repealed by P.L. 194-2005, SEC. 87.)*

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## INDIANA CODE § 25-1-3

### Chapter 3. Civil Immunity of Regulatory Agencies

**IC 25-1-3-1 Definitions**

Sec. 1. (a) As used in this chapter, the term "regulatory board" means any state board, commission, or state agency which licenses persons in order to regulate the practice of a particular profession or professions.

(b) As used in this chapter, the term "board members" means members of a regulatory board.

(c) As used in this chapter, the term "secretary" means the executive secretary or other person charged with the administration of the affairs of a regulatory board.

*(Formerly: Acts 1975, P.L.268, SEC.1.)*

**IC 25-1-3-2 Extent of immunity from civil liability**

Sec. 2. The board members, the secretary, his staff, counsel, investigators and hearing officer of every regulatory board, except as provided in section 4 of this chapter, shall be immune from civil liability for damages for conduct within the scope and arising out of the performance of their duties. This section shall not be construed to include civil actions for damages not directly related to the investigative process and shall apply only to the process for the finding of fact of the regulatory board.

*(Formerly: Acts 1975, P.L.268, SEC.1.)*

**IC 25-1-3-3 Immunity from civil liability; statements in course of investigatory hearing or review proceedings**

Sec. 3. Any person shall be immune from civil liability for damages for any sworn or written statements, made without malice, and transmitted to the regulatory board, executive secretary, or his staff, or made in the course of investigatory, hearing or review proceedings.

*(Formerly: Acts 1975, P.L.268, SEC.1.)*

**IC 25-1-3-4 Regulatory boards covered**

Sec. 4. The provisions of this chapter extend to every regulatory board of the state except the disciplinary commission of the supreme court of Indiana which is protected under IC 1971, 33-2-3-1.

*(Formerly: Acts 1975, P.L.268, SEC.1.)*

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## INDIANA CODE § 25-1-4

### Chapter 4. Continuing Education

**IC 25-1-4-0.2 "Approved organization" defined**

Sec. 0.2. As used in this chapter, "approved organization" refers to the following:

(1) United States Department of Education.
(2) Council on Post-Secondary Education.
(3) Joint Commission on Accreditation of Hospitals.
(4) Joint Commission on Healthcare Organizations.
(5) Federal, state, and local government agencies.
(6) A college or other teaching institution accredited by the United States Department of Education or the Council on Post-Secondary Education.
(7) A national organization of practitioners whose members practicing in Indiana are subject to regulation by a board or agency regulating a profession or occupation under this title.
(8) A national, state, district, or local organization that operates as an affiliated entity under the approval of an organization listed in subdivisions (1) through (7).
(9) An internship or a residency program conducted in a hospital that has been approved by an organization listed in subdivisions (1) through (7).
(10) Any other organization or individual approved by the board.

*As added by P.L.157-2006, SEC.10. Amended by P.L.2-2008, SEC.51.*

**IC 25-1-4-0.3 Version b; "Board" defined**

Sec. 0.3. As used in section 3 of this chapter, "board" means any of the following:

(1) Indiana board of accountancy (IC 25-2.1-2-1).
(2) Board of registration for architects and landscape architects (IC 25-4-1-2).
(3) Indiana athletic trainers board (IC 25-5.1-2-1).
(4) Indiana auctioneer commission (IC 25-6.1-2-1).
(5) Board of chiropractic examiners (IC 25-10-1).

(6) State board of cosmetology and barber examiners (IC 25-8-3-1).
(7) State board of dentistry (IC 25-14-1).
(8) Indiana dietitians certification board (IC 25-14.5-2-1).
(9) State board of registration for professional engineers (IC 25-31-1-3).
(10) State board of funeral and cemetery service (IC 25-15-9).
(11) Indiana state board of health facility administrators (IC 25-19-1).
(12) Committee of hearing aid dealer examiners (IC 25-20-1-1.5).
(13) Home inspectors licensing board (IC 25-20.2-3-1).
(14) State board of registration for land surveyors (IC 25-21.5-2-1).
(15) Manufactured home installer licensing board (IC 25-23.7).
(16) Medical licensing board of Indiana (IC 25-22.5-2).
(17) Indiana state board of nursing (IC 25-23-1).
(18) Occupational therapy committee (IC 25-23.5).
(19) Indiana optometry board (IC 25-24).
(20) Indiana board of pharmacy (IC 25-26).
(21) Indiana physical therapy committee (IC 25-27-1).
(22) Physician assistant committee (IC 25-27.5).
(23) Indiana plumbing commission (IC 25-28.5-1-3).
(24) Board of podiatric medicine (IC 25-29-2-1).
(25) Private investigator and security guard licensing board (IC 25-30-1-5.2).
(26) State psychology board (IC 25-33).
(27) Indiana real estate commission (IC 25-34.1-2).
(28) Real estate appraiser licensure and certification board (IC 25-34.1-8).
(29) Respiratory care committee (IC 25-34.5).
(30) Behavioral health and human services licensing board (IC 25-23.6).
(31) Speech-language pathology and audiology board (IC 25-35.6-2).
(32) Indiana board of veterinary medical examiners (IC 25-38.1-2).
*As added by P.L.269-2001, SEC.2. Amended by P.L.157-2006, SEC.11; P.L.185-2007, SEC.2; P.L.2-2008, SEC.52; P.L.160-2009, SEC.5; P.L.122-2009, SEC.2; P.L.84-2010, SEC.8.*

**IC 25-1-4-0.5 "Continuing education" defined**
Sec. 0.5. As used in this chapter, "continuing education" means an orderly process of instruction:
(1) that is approved by:
(A) an approved organization or the board for a profession or occupation other than a real estate appraiser; or
(B) for a real estate appraiser:
(i) the Appraiser Qualifications Board, under the regulatory oversight of the Appraisal Subcommittee established under Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989; or
(ii) the real estate appraiser licensure and certification board established under IC 25-34.1-8 for specific courses and course subjects, as determined by the real estate appraiser licensure and certification board; and
(2) that is designed to directly enhance the practitioner's knowledge and skill in providing services relevant to the practitioner's profession or occupation.
The term includes an activity that is approved by the board for a profession or occupation, other than a real estate appraiser, and that augments the practitioner's knowledge and skill in providing services relevant to the practitioner's profession or occupation.
*As added by P.L.157-2006, SEC.12. Amended by P.L.57-2007, SEC.1; P.L.177-2009, SEC.11.*

**IC 25-1-4-0.6 "Practitioner" defined**
Sec. 0.6. As used in section 3 of this chapter, "practitioner" means an individual who holds:
(1) an unlimited license, certificate, or registration;
(2) a limited or probationary license, certificate, or registration;
(3) a temporary license, certificate, registration, or permit;
(4) an intern permit; or
(5) a provisional license;
issued by the board regulating the profession in question.
*As added by P.L.269-2001, SEC.3.*

**IC 25-1-4-0.7 Computation of designated time periods**
Sec. 0.7. (a) In computing any period under this chapter, the day of the act, event, or default from which the designated period of time begins to run is not included. The last day of the computed period is to be included unless it is:
(1) a Saturday;
(2) a Sunday;
(3) a legal holiday under a state statute; or
(4) a day that the office in which the act is to be done is closed during regular business hours.
(b) A period runs until the end of the next day after a day described in subsection (a)(1) through (a)(4). If the period allowed is less than seven (7) days, intermediate Saturdays, Sundays, state holidays, and days on which the office in which the act is to be done is closed during regular business hours are excluded from the calculation.
(c) A period under this chapter that begins when a person is served with a paper begins with respect to a particular person on the earlier of the date that:
(1) the person is personally served with the notice; or
(2) a notice for the person is deposited in the United States mail.
(d) If a notice is served through the United States mail, three (3) days must be added to a period that begins upon service of that notice.
*As added by P.L.177-2009, SEC.12.*

**IC 25-1-4-1 Requirement**
Sec. 1. No board or agency regulating a profession or occupation under this title or under IC 16 or IC 22 may require continuing education as a condition of certification, registration, or licensure unless so specifically authorized or mandated by statute.
*As added by Acts 1981, P.L.222, SEC.1. Amended by P.L.2-2008, SEC.53.*

**IC 25-1-4-2 Promotion**
Sec. 2. A board or agency regulating a profession or occupation under this title or under IC 16 or IC 22 may cooperate with members of the profession or occupation it regulates to promote continuing education within the profession or occupation.
*As added by Acts 1981, P.L.222, SEC.1. Amended by P.L.2-2008, SEC.54.*

**IC 25-1-4-3 Sworn statements of compliance; retention of copies of certificates of completion; audits**
Sec. 3. (a) Notwithstanding any other law, a board that is specifically authorized or mandated to require continuing education as a condition to renew a registration, certification, or license must require a practitioner to comply with the following renewal requirements:
(1) The practitioner shall provide the board with a sworn statement executed by the practitioner that the practitioner has fulfilled the continuing education requirements required by the board.
(2) The practitioner shall retain copies of certificates of completion for continuing education courses for three (3) years from the end of the licensing period for which the continuing education applied. The practitioner shall provide the board with copies of the certificates of completion upon the board's request for a compliance audit.
(b) Following every license renewal period, the board shall randomly audit for compliance more than one percent (1%) but less than ten

percent (10%) of the practitioners required to take continuing education courses.
*As added by P.L.269-2001, SEC.4. Amended by P.L.157-2006, SEC.13.*

**IC 25-1-4-3.2 Distance learning methods**
Sec. 3.2. A board or agency regulating a profession or occupation under this title or under IC 16 or IC 22 shall require that at least one-half (1/2) of all continuing education requirements must be allowed by distance learning methods, except for doctors, nurses, chiropractors, optometrists and dentists.
*As added by P.L.227-2001, SEC.1. Amended by P.L.2-2008, SEC.55.*

**IC 25-1-4-4 Hardship waiver**
Sec. 4. A board, a commission, a committee, or an agency regulating a profession or an occupation under this title or under IC 16 or IC 22 may grant an applicant a waiver from all or part of the continuing education requirement for a renewal period if the applicant was not able to fulfill the requirement due to a hardship that resulted from any of the following:
(1) Service in the armed forces of the United States during a substantial part of the renewal period.
(2) An incapacitating illness or injury.
(3) Other circumstances determined by the board or agency.
*As added by P.L.88-2004, SEC.1. Amended by P.L.2-2008, SEC.56.*

**IC 25-1-4-5 Failure to comply; license suspension; penalties; reinstatement requirements**
Sec. 5. (a) Notwithstanding any other law, if the board determines that a practitioner has not complied with this chapter or IC 25-1-8-6 at the time that the practitioner applies for license renewal or reinstatement or after an audit conducted under section 3 of this chapter, the board shall do the following:
(1) Send the practitioner notice of noncompliance by certified mail to the practitioner's last known address.
(2) As a condition of license renewal or reinstatement, require the practitioner to comply with subsection (b).
(3) For license renewal, issue a conditional license to the practitioner that is effective until the practitioner complies with subsection (b).
(b) Upon service of a notice of noncompliance under subsection (a), a practitioner shall do either of the following:
(1) If the practitioner believes that the practitioner has complied with this chapter or IC 25-1-8-6, if applicable, within twenty-one (21) days of service of the notice, send written notice to the board requesting a review so that the practitioner may submit proof of compliance.
(2) If the practitioner does not disagree with the board's determination of noncompliance, do the following:
(A) Except as provided in subsection (d), pay to the board a civil penalty not to exceed one thousand dollars ($1,000) within twenty-one (21) days of service of the notice.
(B) Acquire, within six (6) months after service of the notice, the number of credit hours needed to achieve full compliance.
(C) Comply with all other provisions of this chapter.
(c) If a practitioner fails to comply with subsection (b), the board shall immediately suspend or refuse to reinstate the license of the practitioner and send notice of the suspension or refusal to the practitioner by certified mail.
(d) If the board determines that a practitioner has knowingly or intentionally made a false or misleading statement to the board concerning compliance with the continuing education requirements, in addition to the requirements under this section the board may impose a civil penalty of not more than five thousand dollars ($5,000) under subsection (b)(2)(A).
(e) The board shall:
(1) reinstate a practitioner's license; or
(2) renew the practitioner's license in place of the conditional license issued under subsection (a)(3);
if the practitioner supplies proof of compliance with this chapter under subsection (b)(1) or IC 25-1-8-6, if applicable.
*As added by P.L.157-2006, SEC.14. Amended by P.L.197-2007, SEC.17; P.L.177-2009, SEC.13.*

**IC 25-1-4-6 Failure to comply; denial of license renewal; penalties**
Sec. 6. (a) Notwithstanding any other law, if at the time a practitioner applies for license renewal or reinstatement or after an audit conducted under section 3 of this chapter, the board determines that the practitioner has failed to comply with this chapter or IC 25-1-8-6, if applicable, and the practitioner has previously received a notice of noncompliance under section 5(a) of this chapter during the preceding license period, the board shall do the following:
(1) Provide the practitioner notice of noncompliance by certified mail.
(2) Deny the practitioner's application for license renewal or reinstatement.
(b) The board shall reinstate a license not renewed under subsection (a) upon occurrence of the following:
(1) Payment by a practitioner to the board of a civil penalty determined by the board, but not to exceed one thousand dollars ($1,000).
(2) Acquisition by the practitioner of the number of credit hours required to be obtained by the practitioner during the relevant license period.
(3) The practitioner otherwise complies with this chapter.
*As added by P.L.157-2006, SEC.15. Amended by P.L.197-2007, SEC.18.*

**IC 25-1-4-7 Credit Hours**
Sec. 7. Credit hours acquired by a practitioner under section 5(b)(2) or 6(b)(2) of this chapter may not apply to the practitioner's credit hour requirement for the license period in which the credit hours are acquired.
*As added by P.L.157-2006, SEC.16.*

**IC 25-1-4-8 Rules**
Sec. 8. The board may adopt rules under IC 4-22-2 to implement this chapter.
*As added by P.L.157-2006, SEC.17.*

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## INDIANA CODE § 25-1-6

### Chapter 6. Professional Licensing Agency

**IC 25-1-6-1 Legislative intent**
Sec. 1. The centralization of staff, functions, and services contemplated by this chapter shall be done in such a way as to enhance the licensing agency's ability to:
(1) make maximum use of data processing as a means of more efficient operation;
(2) provide more services and carry out functions of superior quality; and
(3) ultimately and significantly reduce the number of staff needed to provide these services and carry out these functions.
*As added by Acts 1981, P.L.222, SEC.3. Amended by P.L.132-1984, SEC.2; P.L. 194-2005, SEC. 1.*

**IC 25-1-6-2 Definitions**
Sec. 2. As used in this chapter:
"Board" means any agency, board, advisory committee, or group included in section 3 of this chapter.

"Licensing agency" means the Indiana professional licensing agency created by IC 25-1-5-3.

*As added by Acts 1981, P.L.222, SEC.3. Amended by P.L.132-1984, SEC.3; P.L. 206-2005, SEC. 8.*

**IC 25-1-6-3 Indiana professional licensing agency; functions, duties, and responsibilities**

Sec. 3. (a) The licensing agency shall perform all administrative functions, duties, and responsibilities assigned by law or rule to the executive director, secretary, or other statutory administrator of the following:

(1) Indiana board of accountancy (IC 25-2.1-2-1).
(2) Board of registration for architects and landscape architects (IC 25-4-1-2).
(3) Indiana auctioneer commission (IC 25-6.1-2-1).
(4) State board of cosmetology examiners (IC 25-8-3-1).
(5) State board of funeral and cemetery service (IC 25-15-9).
(6) State board of registration for professional engineers (IC 25-31-1-3).
(7) Indiana plumbing commission (IC 25-28.5-1-3).
(8) Indiana real estate commission (IC 25-34.1).
(9) Real estate appraiser licensure and certification board (IC 25-34.1-8-1).
(10) Private investigator and security guard licensing board (IC 25-30-1-5.2).
(11) State board of registration for land surveyors (IC 25-21.5-2-1).
(12) Manufactured home installer licensing board (IC 25-23.7).
(13) Home inspectors licensing board (IC 25-20.2-3-1).
(14) State board of massage therapy (IC 25-21.8-2-1).

(b) Nothing in this chapter may be construed to give the licensing agency policy making authority, which remains with each board.

*As added by Acts 1981, P.L.222, SEC.3. Amended by Acts 1982, P.L.113, SEC.10; P.L.132-1984, SEC.4; P.L.246-1985, SEC.14; P.L.257-1987, SEC.14; P.L.234-1989, SEC.2; P.L.186-1990, SEC.4; P.L.23-1991, SEC.8; P.L.48-1991, SEC.15; P.L.1-1992, SEC.129; P.L.30-1993, SEC.4; P.L.234-1995, SEC.2; P.L.82-2000, SEC.3; P.L.227-2001, SEC.3; P.L.162-2002, SEC.3; P.L.145-2003, SEC.3; P.L. 194-2005, SEC. 2; P.L. 206-2005, SEC. 9; P.L.185-2007, SEC.3; P.L.200-2007, SEC.4; P.L.3-2008, SEC.177; P.L.160-2009, SEC.6; P.L.84-2010, SEC.11.*

**IC 25-1-6-4 Additional duties and functions; staff**

Sec. 4. (a) The licensing agency shall employ necessary staff, including specialists and professionals, to carry out the administrative duties and functions of the boards, including but not limited to:

(1) notice of board meetings and other communication services;
(2) recordkeeping of board meetings, proceedings, and actions;
(3) recordkeeping of all persons or individuals licensed, regulated, or certified by a board;
(4) administration of examinations; and
(5) administration of license or certificate issuance or renewal

(b) In addition, the licensing agency:

(1) shall prepare a consolidated statement of the budget requests of all the boards in section 3 of this chapter;
(2) may coordinate licensing or certification renewal cycles, examination schedules, or other routine activities to efficiently utilize licensing agency staff, facilities, and transportation resources, and to improve accessibility of board functions to the public; and
(3) may consolidate, where feasible, office space, recordkeeping, and data processing services.

(c) In administering the renewal of licenses or certificates under this chapter, the licensing agency shall issue a sixty (60) day notice of expiration to all holders of a license or certificate. The notice must inform the holder of a license or certificate of the requirements to:

(1) renew the license or certificate; and
(2) pay the renewal fee.

(d) If the licensing agency fails to send notice of expiration under subsection (c), the holder of the license or certificate is not subject to a sanction for failure to renew if the holder renews the license or certificate not more than forty-five (45) days after the holder receives the notice from the licensing agency.

(e) The licensing agency may require an applicant for a license or certificate renewal to submit evidence showing that the applicant:

(1) meets the minimum requirements for licensure or certification; and
(2) is not in violation of:
(A) the law regulating the applicant's profession; or
(B) rules adopted by the board regulating the applicant's profession.

(f) The licensing agency may delay renewing a license or certificate for not more than ninety (90) days after the renewal date to permit the board to investigate information received by the licensing agency that the applicant for renewal may have committed an act for which the applicant may be disciplined. If the licensing agency delays renewing a license or certificate, the licensing agency shall notify the applicant that the applicant is being investigated. Except as provided in subsection (g), the board shall do one (1) of the following before the expiration of the ninety (90) day period:

(1) Deny renewal of the license or certificate following a personal appearance by the applicant before the board.
(2) Renew the license or certificate upon satisfaction of all other requirements for renewal.
(3) Renew the license and file a complaint under IC 25-1-7.
(4) Request the office of the attorney general to conduct an investigation under subsection (h) if, following a personal appearance by the applicant before the board, the board has good cause to believe that the applicant engaged in activity described in IC 25-1-11-5.
(5) Upon agreement of the applicant and the board and following a personal appearance by the applicant before the board, renew the license or certificate and place the applicant on probation status under IC 25-1-11-12.

(g) If an applicant fails to appear before the board under subsection (f), the board may take action as provided in subsection (f)(1), (f)(2), or (f)(3).

(h) If the board makes a request under subsection (f)(4), the office of the attorney general shall conduct an investigation. Upon completion of the investigation, the office of the attorney general may file a petition alleging that the applicant has engaged in activity described in IC 25-1-11-5. If the office of the attorney general files a petition, the board shall set the matter for a public hearing. If, after a public hearing, the board finds the applicant violated IC 25-1-11-5, the board may impose sanctions under IC 25-1-11-12. The board may delay renewing a license or certificate beyond ninety (90) days after the renewal date until a final determination is made by the board. The applicant's license or certificate remains valid until the final determination of the board is rendered unless the renewal is:

(1) denied; or
(2) summarily suspended under IC 25-1-11-13.

(i) The license or certificate of the applicant for license renewal remains valid during the ninety (90) day period unless the license or certificate is denied following a personal appearance by the applicant before the board before the end of the ninety (90) day period. If the ninety (90) day period expires without action by the board, the license or certificate shall be automatically renewed at the end of the ninety (90) day period.

(j) Notwithstanding any other law, the licensing agency may stagger license or certificate renewal cycles.

(k) An application for a license or certificate is abandoned without an action by the board if the applicant does not complete the requirements for obtaining the license or certificate not more than one (1) year after the date on which the application was filed. However, the board may, for good cause shown, extend the validity of the application for additional thirty (30) day periods. An application submitted after the abandonment of an application is considered a new application.

*As added by Acts 1981, P.L.222, SEC.3. Amended by P.L.132-1984, SEC.5; P.L. 194-2005, SEC. 3.*

**IC 25-1-6-5 Executive director**

Sec. 5. (a) The licensing agency shall be administered by an executive director appointed by the governor who shall serve at the will and pleasure of the governor.

(b) The executive director must be qualified by experience and training.

(c) The term "executive director" or "secretary", or any other statutory term for the administrative officer of a board listed in section 3 of this chapter, means the executive director of the licensing agency or the executive director's designee.

(d) The executive director is the chief fiscal officer of the licensing agency and is responsible for hiring of all staff and for procurement of all services and supplies in accordance with IC 5-22. The executive director and the employees of the licensing agency are subject to IC 4-15-1.8 but are not under IC 4-15-2. The executive director may appoint no more than three (3) deputy directors, who must be qualified to work for the boards which are served by the licensing agency.

(e) The executive director shall execute a bond payable to the state, with surety to consist of a surety or guaranty corporation qualified to do business in Indiana, in an amount fixed by the state board of accounts, conditioned upon the faithful performance of duties and the accounting for all money and property that come into the executive director's hands or under the executive director's control. The executive director may likewise cause any employee of the licensing agency to execute a bond if that employee receives, disburses, or in any way handles funds or property of the licensing agency. The costs of any such bonds shall be paid from funds available to the licensing agency.

(f) The executive director may present to the general assembly legislative recommendations regarding operations of the licensing agency and the boards it serves, including adoption of four (4) year license or certificate renewal cycles wherever feasible.

(g) Upon the request of a board or commission, the executive director may execute orders, subpoenas, continuances, and other legal documents on behalf of the board or commission.

(h) Upon the request of a board or commission, the executive director may provide advice and technical assistance on issues that may be presented to the board or commission.

*As added by Acts 1981, P.L.222, SEC.3. Amended by Acts 1982, P.L.113, SEC.11; P.L.132-1984, SEC.6; P.L.49-1997, SEC.64; P.L. 194-2005, SEC. 4.*

**IC 25-1-6-5.5 Appeal of license renewal denial**

Sec. 5.5. A person who has a license renewal denied by a board listed in section 3 of this chapter may file an appeal of the denial in accordance with IC 4-21.5-3.

*As added by P.L.227-2001, SEC.4. Amended by P.L.1-2002, SEC.95; P.L. 194-2005, SEC. 5.*

**IC 25-1-6-6 Executive director; representatives; staff placement**

Sec. 6. (a) The executive director shall designate certain employees of the licensing agency to represent the executive director of the licensing agency at board meetings, proceedings, or any other activities of a board.

(b) The executive director shall assign staff to individual boards and shall work with the boards to ensure efficient utilization and placement of staff.

*As added by Acts 1981, P.L.222, SEC.3. Amended by P.L.132-1984, SEC.7.*

**IC 25-1-6-7 Repealed**

(*Repealed by P.L.186-1990, SEC.17.)*

**IC 25-1-6-8 Department of state revenue; access to names of licensees and applicants; persons on tax warrant list**

Sec. 8. (a) The bureau and the boards may allow the department of state revenue access to the name of each person who:

(1) is licensed under this chapter or IC 25-1-5; or

(2) has applied for a license under this chapter or IC 25-1-5.

(b) If the department of state revenue notifies the licensing agency that a person is on the most recent tax warrant list, the licensing agency may not issue or renew the person's license until:

(1) the person provides to the licensing agency a statement from the department of revenue that the person's delinquent tax liability has been satisfied; or

(2) the licensing agency receives a notice from the commissioner of the department of state revenue under IC 6-8.1-8-2(k).

*As added by P.L.26-1985, SEC.20. Amended by P.L.332-1989(ss), SEC.46; P.L. 2-2005, SEC. 63; P.L. 206-2005, SEC. 10.*

**IC 25-1-6-9 Repealed**

(*Repealed by P.L.186-1990, SEC.17.)*

**IC 25-1-6-10 Provision of social security numbers; access to numbers**

Sec. 10. (a) An individual who applies for a license issued by a board under this chapter or who holds a license issued by a board under this chapter shall provide the individual's Social Security number to the licensing agency.

(b) The licensing agency and the boards shall collect and release the applicant's or licensee's Social Security number as otherwise provided in state or federal law.

(c) Notwithstanding IC 4-1-10-3, the licensing agency and the boards may allow access to the Social Security number of each person who is licensed under this chapter or has applied for a license under this chapter to:

(1) a testing service that provides the examination for licensure to the licensing agency or the boards; or

(2) an individual state regulatory board or an organization composed of state regulatory boards for the applicant's or licensee's profession for the purpose of coordinating licensure and disciplinary activities among the individual states.

*As added by P.L.157-2006, SEC.19.*

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## INDIANA CODE § 25-1-7

### Chapter 7. Investigation and Prosecution of Complaints Concerning Regulated Occupations

**IC 25-1-7-1 Version b; Definitions**

Sec. 1. As used in this chapter:

"Board" means the appropriate agency listed in the definition of regulated occupation in this section.

"Director" refers to the director of the division of consumer protection.

"Division" refers to the division of consumer protection, office of

the attorney general.
"Licensee" means a person who is:
(1) licensed, certified, or registered by a board listed in this section; and
(2) the subject of a complaint filed with the division.
"Person" means an individual, a partnership, a limited liability company, or a corporation.
"Regulated occupation" means an occupation in which a person is licensed, certified, or registered by one (1) of the following:
(1) Indiana board of accountancy (IC 25-2.1-2-1).
(2) Board of registration for architects and landscape architects (IC 25-4-1-2).
(3) Indiana auctioneer commission (IC 25-6.1-2-1).
(4) State athletic commission (IC 25-9-1).
(5) Board of chiropractic examiners (IC 25-10-1).
(6) State board of cosmetology and barber examiners (IC 25-8-3-1).
(7) State board of dentistry (IC 25-14-1).
(8) State board of funeral and cemetery service (IC 25-15-9).
(9) State board of registration for professional engineers (IC 25-31-1-3).
(10) Indiana state board of health facility administrators (IC 25-19-1).
(11) Medical licensing board of Indiana (IC 25-22.5-2).
(12) Indiana state board of nursing (IC 25-23-1).
(13) Indiana optometry board (IC 25-24).
(14) Indiana board of pharmacy (IC 25-26).
(15) Indiana plumbing commission (IC 25-28.5-1-3).
(16) Board of podiatric medicine (IC 25-29-2-1).
(17) State psychology board (IC 25-33).
(18) Speech-language pathology and audiology board (IC 25-35.6-2).
(19) Indiana real estate commission (IC 25-34.1-2).
(20) Indiana board of veterinary medical examiners (IC 25-38.1).
(21) Department of natural resources for purposes of licensing water well drillers under IC 25-39-3.
(22) Respiratory care committee (IC 25-34.5).
(23) Private investigator and security guard licensing board (IC 25-30-1-5.2).
(24) Occupational therapy committee (IC 25-23.5).
(25) Behavioral health and human services licensing board (IC 25-23.6).
(26) Real estate appraiser licensure and certification board (IC 25-34.1-8).
(27) State board of registration for land surveyors (IC 25-21.5-2-1).
(28) Physician assistant committee (IC 25-27.5).
(29) Indiana athletic trainers board (IC 25-5.1-2-1).
(30) Indiana dietitians certification board (IC 25-14.5-2-1).
(31) Indiana physical therapy committee (IC 25-27).
(32) Manufactured home installer licensing board (IC 25-23.7).
(33) Home inspectors licensing board (IC 25-20.2-3-1).
(34) State department of health, for out-of-state mobile health care facilities.
(35) State board of massage therapy (IC 25-21.8-2-1)
(36) Any other occupational or professional agency created after June 30, 1981.

*As added by Acts 1981, P.L.222, SEC.4. Amended by Acts 1982, P.L.113, SEC.12; P.L.137-1985, SEC.7; P.L.246-1985, SEC.15; P.L.169-1985, SEC.29; P.L.149-1987, SEC.21; P.L.257-1987, SEC.15; P.L.242-1989, SEC.6; P.L.234-1989, SEC.3; P.L.238-1989, SEC.6; P.L.1-1990, SEC.249; P.L.186-1990, SEC.5; P.L.183-1991, SEC.3; P.L.23-1991, SEC.9; P.L.48-1991, SEC.16; P.L.1-1992, SEC.130; P.L.30-1993, SEC.5; P.L.227-1993, SEC.5; P.L.213-1993, SEC.2; P.L.8-1993, SEC.371; P.L.33-1993, SEC.11; P.L.1-1994, SEC.120; P.L.124-1994, SEC.4; P.L.234-1995, SEC.3; P.L.175-1997, SEC.5; P.L.147-1997, SEC.8; P.L.84-1998, SEC.3; P.L.24-1999, SEC.4; P.L.82-2000, SEC.4; P.L.162-2002, SEC.4; P.L.145-2003, SEC.4; P.L.185-2007, SEC.4; P.L.193-2007, SEC.4; P.L.200-2007, SEC.5; P.L.3-2008, SEC.178; P.L.134, SEC.16; P.L.1-2009, SEC.138; P.L.160-2009, SEC.7; P.L.122-2009, SEC.5; P.L.84-2010, SEC.12.*

**IC 25-1-7-1 Version c; Definitions**

Sec. 1. As used in this chapter:
"Board" means the appropriate agency listed in the definition of regulated occupation in this section.
"Director" refers to the director of the division of consumer protection.
"Division" refers to the division of consumer protection, office of the attorney general.
"Licensee" means a person who is:
(1) licensed, certified, or registered by a board listed in this section; and
(2) the subject of a complaint filed with the division.
"Person" means an individual, a partnership, a limited liability company, or a corporation.
"Regulated occupation" means an occupation in which a person is licensed, certified, or registered by one (1) of the following:
(1) Indiana board of accountancy (IC 25-2.1-2-1).
(2) Board of registration for architects and landscape architects (IC 25-4-1-2).
(3) Indiana auctioneer commission (IC 25-6.1-2-1).
(4) State board of barber examiners (IC 25-7-5-1).
(5) Board of chiropractic examiners (IC 25-10-1).
(6) State board of cosmetology examiners (IC 25-8-3-1).
(7) State board of dentistry (IC 25-14-1).
(8) State board of funeral and cemetery service (IC 25-15-9).
(9) State board of registration for professional engineers (IC 25-31-1-3).
(10) Indiana state board of health facility administrators (IC 25-19-1).
(11) Medical licensing board of Indiana (IC 25-22.5-2).
(12) Indiana state board of nursing (IC 25-23-1).
(13) Indiana optometry board (IC 25-24).
(14) Indiana board of pharmacy (IC 25-26).
(15) Indiana plumbing commission (IC 25-28.5-1-3).
(16) Board of podiatric medicine (IC 25-29-2-1).
(17) Board of environmental health specialists (IC 25-32-1).
(18) State psychology board (IC 25-33).
(19) Speech-language pathology and audiology board (IC 25-35.6-2).
(20) Indiana real estate commission (IC 25-34.1-2).
(21) Indiana board of veterinary medical examiners (IC 25-38.1).
(22) Department of natural resources for purposes of licensing water well drillers under IC 25-39-3.
(23) Respiratory care committee (IC 25-34.5).
(24) Private investigator and security guard licensing board (IC 25-30-1-5.2).
(25) Occupational therapy committee (IC 25-23.5).
(26) Behavioral health and human services licensing board (IC 25-23.6).
(27) Real estate appraiser licensure and certification board (IC 25-34.1-8).
(28) State board of registration for land surveyors (IC 25-21.5-2-1).
(29) Physician assistant committee (IC 25-27.5).
(30) Indiana athletic trainers board (IC 25-5.1-2-1).
(31) Indiana dietitians certification board (IC 25-14.5-2-1).
(32) Indiana hypnotist committee (IC 25-20.5-1-7).

(33) Indiana physical therapy committee (IC 25-27).
(34) Manufactured home installer licensing board (IC 25-23.7).
(35) Home inspectors licensing board (IC 25-20.2-3-1).
(36) State department of health, for out-of-state mobile health care entities.
(37) State board of massage therapy (IC 25-21.8-2-1).
(38) Any other occupational or professional agency created after June 30, 1981.

*As added by Acts 1981, P.L.222, SEC.4. Amended by Acts 1982, P.L.113, SEC.12; P.L.137-1985, SEC.7; P.L.246-1985, SEC.15; P.L.169-1985, SEC.29; P.L.149-1987, SEC.21; P.L.257-1987, SEC.15; P.L.242-1989, SEC.6; P.L.234-1989, SEC.3; P.L.238-1989, SEC.6; P.L.1-1990, SEC.249; P.L.186-1990, SEC.5; P.L.183-1991, SEC.3; P.L.23-1991, SEC.9; P.L.48-1991, SEC.16; P.L.1-1992, SEC.130; P.L.30-1993, SEC.5; P.L.227-1993, SEC.5; P.L.213-1993, SEC.2; P.L.8-1993, SEC.371; P.L.33-1993, SEC.11; P.L.1-1994, SEC.120; P.L.124-1994, SEC.4; P.L.234-1995, SEC.3; P.L.175-1997, SEC.5; P.L.147-1997, SEC.8; P.L.84-1998, SEC.3; P.L.24-1999, SEC.4; P.L.82-2000, SEC.4; P.L.162-2002, SEC.4; P.L.145-2003, SEC.4; P.L.185-2007, SEC.4; P.L.193-2007, SEC.4; P.L.200-2007, SEC.5; P.L.3-2008, SEC.178; P.L.134-2008, SEC.16; P.L.1-2009, SEC.138; P.L.122-2009, SEC.5; P.L.160-2009, SEC.7; P.L.1-2010, SEC.102; P.L.113-2010, SEC.101.*

**IC 25-1-7-2 Duties of attorney general**

Sec. 2. The office of the attorney general, under the conditions specified in this chapter, may receive, investigate, and prosecute complaints concerning regulated occupations.

*As added by Acts 1981, P.L.222, SEC.4.*

**IC 25-1-7-3 Investigation of complaints**

Sec. 3. The division is responsible for the investigation of complaints concerning licensees.

*As added by Acts 1981, P.L.222, SEC.4.*

**IC 25-1-7-4 Complaints; requisites; standing**

Sec. 4. All complaints must be written and signed by the complainant and initially filed with the director. Except for employees of the attorney general's office acting in their official capacity, a complaint may be filed by any person, including members of any of the boards listed in section 1 of this chapter.

*As added by Acts 1981, P.L.222, SEC.4.*

**IC 25-1-7-5 Duties and powers of director**

Sec. 5. (a) Subsection (b)(1) does not apply to:
(1) a complaint filed by:
(A) a member of any of the boards listed in section 1 of this chapter; or
(B) the Indiana professional licensing agency; or
(2) a complaint filed under IC 25-1-5-4.

(b) The director has the following duties and powers:
(1) The director shall make an initial determination as to the merit of each complaint. A copy of a complaint having merit shall be submitted to the board having jurisdiction over the licensee's regulated occupation that board thereby acquiring jurisdiction over the matter except as otherwise provided in this chapter.
(2) The director shall through any reasonable means notify the licensee of the nature and ramifications of the complaint and of the duty of the board to attempt to resolve the complaint through negotiation.
(3) The director shall report any pertinent information regarding the status of the complaint to the complainant.
(4) The director may investigate any written complaint against a licensee. The investigation shall be limited to those areas in which there appears to be a violation of statutes governing the regulated occupation.
(5) The director has the power to subpoena witnesses and to send for and compel the production of books, records, papers, and documents for the furtherance of any investigation under this chapter. The circuit or superior court located in the county where the subpoena is to be issued shall enforce any such subpoena by the director.

*As added by Acts 1981, P.L.222, SEC.4. Amended by P.L.22-1999, SEC.2; P.L.14-2000, SEC.55; P.L. 206-2005, SEC. 11.*

**IC 25-1-7-6 Statement of settlement; period of time to resolve**

Sec. 6. (a) This section does not apply to:
(1) a complaint filed by:
(A) a member of any of the boards listed in section 1 of this chapter; or
(B) the Indiana professional licensing agency; or
(2) a complaint filed under IC 25-1-5-4.

(b) If, at any time before the director files the director's recommendations with the attorney general, the board files with the director a statement signed by the licensee and the complainant that the complaint has been resolved, the director shall not take further action. For a period of thirty (30) days after the director has notified the board and the licensee that a complaint has been filed, the division shall not conduct any investigation or take any action whatsoever, unless requested by the board. If, during the thirty (30) days, the board requests an extension of the thirty (30) day time period, the director shall grant it for a period not exceeding an additional twenty (20) days. If at any time during the thirty (30) day period or an extension thereof, the board notifies the director of its intention not to proceed further to resolve the complaint, the division may proceed immediately under this chapter. For every purpose of this section, a board may designate a board member or staff member to act on behalf of or in the name of the board.

*As added by Acts 1981, P.L.222, SEC.4. Amended by P.L.22-1999, SEC.3; P.L. 206-2005, SEC. 12.*

**IC 25-1-7-7 Disciplinary sanctions; report to attorney general; prosecution; hearing officer**

Sec. 7. (a) If there has been no statement of settlement filed by the board under section 6 of this chapter, and if, after conducting an investigation, the director believes that the licensee should be subjected to disciplinary sanctions by the board of his regulated occupation, then he shall so report to the attorney general. Upon receiving the director's report, the attorney general may prosecute the matter, on behalf of the state of Indiana, before the board. The board may designate any person as a hearing officer to hear the matter.

(b) Notwithstanding subsection (a) of this section, if the board by majority vote so requests, the attorney general shall prosecute the matter before the board, on behalf of the state of Indiana.

*As added by Acts 1981, P.L.222, SEC.4.*

**IC 25-1-7-8 Witnesses**

Sec. 8. At the hearing, the board or hearing officer may call witnesses in addition to those presented by the state or the licensee.

*As added by Acts 1981, P.L.222, SEC.4.*

**IC 25-1-7-9 Disqualification of board member**

Sec. 9. A board member is disqualified from any consideration of the case if the board member filed the complaint or participated in negotiations regarding the complaint. The board member is not disqualified from the board's final determination solely because the board member was the hearing officer or determined the complaint and the information pertaining to the complaint was current significant investigative information (as defined by IC 25-23.2-1-5 (Repealed)).

*As added by Acts 1981, P.L.222, SEC.4. Amended by P.L.181-2002, SEC.1; P.L.1-2007, SEC.166.*

**IC 25-1-7-10 Confidentiality of complaints and information**

Sec. 10. (a) All complaints and information pertaining to the complaints shall be held in strict confidence until the attorney general files notice with the board of the attorney general's intent to prosecute the licensee.

(b) A person in the employ of the office of attorney general or any of the boards, or any person not a party to the complaint, may not disclose or further a disclosure of information concerning the complaint unless the disclosure is required:

(1) under law; or

(2) for the advancement of an investigation.

*As added by Acts 1981, P.L.222, SEC.4. Amended by P.L.181-2002, SEC.2; P.L.1-2007, SEC.167.*

**IC 25-1-7-11 Administrative orders and procedures**

Sec. 11. Nothing in this chapter limits the rights of the licensee or the state under IC 4-21.5.

*As added by Acts 1981, P.L.222, SEC.4. Amended by P.L.7-1987, SEC.110.*

**IC 25-1-7-12 Reimbursement of attorney general**

Sec. 12. (a) If:

(1) a fund is created by statute for the payment of an unpaid judgment against a licensee; and

(2) the office of the attorney general is required by statute to provide services to the boards that administer the funds described in subdivision (1);

the office of the attorney general is entitled to reimbursement for the costs incurred in providing the services described in subdivision (2).

(b) If:

(1) more than one (1) fund is established by statute for the payment of an unpaid judgment against a licensee; and

(2) the office of the attorney general is entitled to reimbursement under subsection (a);

the funds for reimbursement shall be taken in equal amounts from each of the funds described in subdivision (1).

*As added by P.L.255-1987, SEC.1.*

**IC 25-1-7-13 Reports; contents**

Sec. 13. The office of the attorney general shall submit to each board, at the request of the board, a report that includes the following information concerning that regulated occupation:

(1) The number of complaints filed.

(2) The number of cases currently under investigation.

(3) The number of cases closed.

(4) The number of cases resolved.

(5) The age of the complaints.

*As added by P.L.177-1997, SEC.1.*

**IC 25-1-7-14 Cease and desist orders**

Sec. 14. (a) Notwithstanding any other law, if the board of a regulated occupation believes that a person who is not licensed, certified, or registered under this title is engaged in or is believed to be engaged in activities for which a license, certification, or registration is required under this title, the board may do the following:

(1) File a complaint with the attorney general, who shall investigate and may file:

(A) with notice; or

(B) without notice, if the attorney general determines that person is engaged in activities that may affect an individual's health or safety;

a motion for a cease and desist order with the appropriate board.

(2) Upon review of the attorney general's motion for a cease and desist order, the board may issue an order requiring the affected person to show cause why the person should not be ordered to cease and desist from such activities. The show cause order must set forth a time and place for a hearing at which the affected person may appear and show cause as to why the person should not be subject to licensing, certification, or registration under this title.

(b) If the board, after a hearing, determines that the activities in which the person is engaged are subject to licensing, certification, or registration under this title, the board may issue a cease and desist order that must describe the person and activities that are the subject of the order.

(c) A hearing conducted under this section must comply with the requirements under IC 4-21.5.

(d) A cease and desist order issued under this section is enforceable in the circuit or superior courts. A person who is enjoined under a cease and desist order and who violates the order shall be punished for contempt of court.

(e) A cease and desist order issued under this section does not relieve any person from criminal prosecution.

*As added by P.L.84-2010, SEC.13.*

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## INDIANA CODE § 25-1-8

### Chapter 8. Occupational and Professional Licensure, Registration, and Certification Fees

**IC 25-1-8-1 Version b; "Board" defined**

Sec. 1. As used in this chapter, "board" means any of the following:

(1) Indiana board of accountancy (IC 25-2.1-2-1).

(2) Board of registration for architects and landscape architects (IC 25-4-1-2).

(3) Indiana auctioneer commission (IC 25-6.1-2-1).

(4) State athletic commission (IC 25-9-1).

(5) Board of chiropractic examiners (IC 25-10-1).

(6) State board of cosmetology and barber examiners (IC 25-8-3-1).

(7) State board of dentistry (IC 25-14-1).

(8) State board of funeral and cemetery service (IC 25-15).

(9) State board of registration for professional engineers (IC 25-31-1-3).

(10) Indiana state board of health facility administrators (IC 25-19-1).

(11) Medical licensing board of Indiana (IC 25-22.5-2).

(12) Mining board (IC 22-10-1.5-2).

(13) Indiana state board of nursing (IC 25-23-1).

(14) Indiana optometry board (IC 25-24).

(15) Indiana board of pharmacy (IC 25-26).

(16) Indiana plumbing commission (IC 25-28.5-1-3).

(17) State psychology board (IC 25-33).

(18) Speech-language pathology and audiology board (IC 25-35.6-2).

(19) Indiana real estate commission (IC 25-34.1-2-1).

(20) Indiana board of veterinary medical examiners (IC 25-38.1-2-1).

(21) Department of insurance (IC 27-1).

(22) State police department (IC 10-11-2-4), for purposes of certifying polygraph examiners under IC 25-30-2.

(23) Department of natural resources for purposes of licensing water well drillers under IC 25-39-3.

(24) Private investigator and security guard licensing board (IC 25-30-1-5.2).

(25) Occupational therapy committee (IC 25-23.5-2-1).

(26) Behavioral health and human services licensing board (IC 25-23.6-2-1).

(27) Real estate appraiser licensure and certification board (IC 25-34.1-8).
(28) State board of registration for land surveyors (IC 25-21.5-2-1).
(29) Physician assistant committee (IC 25-27.5).
(30) Indiana athletic trainers board (IC 25-5.1-2-1).
(31) Board of podiatric medicine (IC 25-29-2-1).
(32) Indiana dietitians certification board (IC 25-14.5-2-1).
(33) Indiana physical therapy committee (IC 25-27).
(34) Manufactured home installer licensing board (IC 25-23.7).
(35) Home inspectors licensing board (IC 25-20.2-3-1).
(36) State board of massage therapy (IC 25-21.8-2-1)
(37) Any other occupational or professional agency created after June 30, 1981.

*As added by Acts 1981, P.L.223, SEC.1. Amended by P.L.250-1983, SEC.1; P.L.246-1985, SEC.16; P.L.169-1985, SEC.30; P.L.19-1986, SEC.42; P.L.149-1987, SEC.22; P.L.257-1987, SEC.16; P.L.3-1989, SEC.144; P.L.234-1989, SEC.4; P.L.186-1990, SEC.6; P.L.183-1991, SEC.4; P.L.23-1991, SEC.10; P.L.48-1991, SEC.17; P.L.1-1992, SEC.131; P.L.30-1993, SEC.6; P.L.33-1993, SEC.12; P.L.213-1993, SEC.3; P.L.227-1993, SEC.6; P.L.1-1994, SEC.121; P.L.124-1995, SEC.5; P.L.234-1995, SEC.4; P.L.147-1997, SEC.9; P.L.84-1998, SEC.4; P.L.24-1999, SEC.5; P.L.82-2000, SEC.5; P.L.162-2002, SEC.5; P.L.2-2003, SEC.64; P.L.145-2003, SEC.5; P.L.185-2007, SEC.5; P.L.200-2007, SEC.6; P.L.3-2008, SEC.179; P.L.122-2009, SEC.6; P.L.160-2009, SEC.8; P.L.84-2010, SEC.14.*

**IC 25-1-8-1 Version c; "Board" defined**

Sec. 1. As used in this chapter, "board" means any of the following:
(1) Indiana board of accountancy (IC 25-2.1-2-1).
(2) Board of registration for architects and landscape architects (IC 25-4-1-2).
(3) Indiana auctioneer commission (IC 25-6.1-2-1).
(4) State board of barber examiners (IC 25-7-5-1).
(5) Board of chiropractic examiners (IC 25-10-1).
(6) State board of cosmetology and barber examiners (IC 25-8-3-1).
(7) State board of dentistry (IC 25-14-1).
(8) State board of funeral and cemetery service (IC 25-15).
(9) State board of registration for professional engineers (IC 25-31-1-3).
(10) Indiana state board of health facility administrators (IC 25-19-1).
(11) Medical licensing board of Indiana (IC 25-22.5-2).
(12) Mining board (IC 22-10-1.5-2).
(13) Indiana state board of nursing (IC 25-23-1).
(14) Indiana optometry board (IC 25-24).
(15) Indiana board of pharmacy (IC 25-26).
(16) Indiana plumbing commission (IC 25-28.5-1-3).
(17) Board of environmental health specialists (IC 25-32-1).
(18) State psychology board (IC 25-33).
(19) Speech-language pathology and audiology board (IC 25-35.6-2).
(20) Indiana real estate commission (IC 25-34.1-2-1).
(21) Indiana board of veterinary medical examiners (IC 25-38.1-2-1).
(22) Department of insurance (IC 27-1).
(23) State police department (IC 10-11-2-4), for purposes of certifying polygraph examiners under IC 25-30-2.
(24) Department of natural resources for purposes of licensing water well drillers under IC 25-39-3.
(25) Private investigator and security guard licensing board (IC 25-30-1-5.2).
(26) Occupational therapy committee (IC 25-23.5-2-1).
(27) Behavioral health and human services licensing board (IC 25-23.6-2-1).
(28) Real estate appraiser licensure and certification board (IC 25-34.1-8).
(29) State board of registration for land surveyors (IC 25-21.5-2-1).
(30) Physician assistant committee (IC 25-27.5).
(31) Indiana athletic trainers board (IC 25-5.1-2-1).
(32) Board of podiatric medicine (IC 25-29-2-1).
(33) Indiana dietitians certification board (IC 25-14.5-2-1).
(34) Indiana physical therapy committee (IC 25-27).
(35) Manufactured home installer licensing board (IC 25-23.7).
(36) Home inspectors licensing board (IC 25-20.2-3-1).
(37) State board of massage therapy (IC 25-21.8-2-1)
(38) Any other occupational or professional agency created after June 30, 1981.

*As added by Acts 1981, P.L.223, SEC.1. Amended by P.L.250-1983, SEC.1; P.L.246-1985, SEC.16; P.L.169-1985, SEC.30; P.L.19-1986, SEC.42; P.L.149-1987, SEC.22; P.L.257-1987, SEC.16; P.L.3-1989, SEC.144; P.L.234-1989, SEC.4; P.L.186-1990, SEC.6; P.L.183-1991, SEC.4; P.L.23-1991, SEC.10; P.L.48-1991, SEC.17; P.L.1-1992, SEC.131; P.L.30-1993, SEC.6; P.L.33-1993, SEC.12; P.L.213-1993, SEC.3; P.L.227-1993, SEC.6; P.L.1-1994, SEC.121; P.L.124-1995, SEC.5; P.L.234-1995, SEC.4; P.L.147-1997, SEC.9; P.L.84-1998, SEC.4; P.L.24-1999, SEC.5; P.L.82-2000, SEC.5; P.L.162-2002, SEC.5; P.L.2-2003, SEC.64; P.L.145-2003, SEC.5; P.L.185-2007, SEC.5; P.L.200-2007, SEC.6; P.L.3-2008, SEC.179; P.L.122-2009, SEC.6; P.L.160-2009, SEC.8; P.L.1-2010, SEC.103; P.L.113-2010, SEC.102.*

**IC 25-1-8-1.1 Repealed**

(*Repealed by P.L.19-1986, SEC.43.)*

**IC 25-1-8-2 Fees; establishment and collection**

Sec. 2. (a) Notwithstanding any other provision regarding the fees to be assessed by a board, a board shall establish by rule and cause to be collected fees for the following:
(1) Examination of applicants for licensure, registration, or certification.
(2) Issuance, renewal, or transfer of a license, registration, or certificate.
(3) Restoration of an expired license, registration, or certificate when such action is authorized by law.
(4) Issuance of licenses by reciprocity or endorsement for out-of-state applicants.
(5) Issuance of board or committee reciprocity or endorsements for practitioners licensed, certified, or registered in Indiana who apply to another state for a license.

No fee shall be less than twenty-five dollars ($25) unless the fee is collected under a rule adopted by the board which sets a fee for miscellaneous expenses incurred by the board on behalf of the practitioners the board regulates.

(b) Fees established by statute shall remain in effect until replaced by a new fee adopted by rule under this section.

(c) In no case shall the fees be less than are required to pay all of the costs, both direct and indirect, of the operation of the board.

(d) For the payment of fees, a board shall accept cash, a draft, a money order, a cashier's check, and a certified or other personal check. If a board receives an uncertified personal check for the payment of a fee and if the check does not clear the bank, the board may void the license, registration, or certificate for which the check was received.

(e) Unless designated by rule, a fee is not refundable.

(f) A board shall charge a fee of not more than ten dollars ($10) for the issuance of a duplicate license, registration, or certificate.

*As added by Acts 1981, P.L.223, SEC.1. Amended by Acts 1982, P.L.113, SEC.13; P.L.169-1985, SEC.31; P.L.48-1991, SEC.18; P.L.33-1993, SEC.13; P.L.235-1995, SEC.1; P.L.197-2007, SEC.19.*

**IC 25-1-8-3 Quadrennial license or registration cycle; refunds**

Sec. 3. (a) A board, operating on a quadrennial license, registration, or certificate renewal cycle, shall refund one-half (1/2) of the amount of the license, registration, or certificate fee if the holder of the license, registration, or certificate surrenders it at least two (2) years before it expires.

(b) This section does not apply to the holder of a license, registration, or certificate revoked or suspended by the board.

*As added by Acts 1982, P.L.113, SEC.14.*

**IC 25-1-8-4 Quadrennial license renewal system**

Sec. 4. (a) Notwithstanding any law establishing a biennial license renewal system, a board operating on such a system may by rule establish a quadrennial license renewal system.

(b) If a board establishes a quadrennial license renewal system, it may provide for a reduction in the fees for the four (4) year license.

*As added by P.L.234-1983, SEC.3.*

**IC 25-1-8-5 Employment of professionals for testing; examination on statutes, rules, and regulations; standards of review**

Sec. 5. (a) Notwithstanding any statutory provisions regarding the administration of examinations, a board or committee may employ organizations or additional professionals to assist in the preparation, administration, and scoring of licensing examinations.

(b) A board or committee may require applicants for licensure, certification, or registration by examination, endorsement, or reciprocity to pass a test on the state or federal statutes, state rules, and federal regulations that the board or committee determines by rule to be relevant to the practice of a regulated profession.

(c) A board or committee may enter into a contract with a testing company or national association to set the standards of review for an examination by an applicant for licensure, certification, or registration. The standards of review may include:

(1) setting fees for review;
(2) requiring that an examination remain confidential; and
(3) prohibiting the release of the examination or copies of the examination.

*As added by P.L.169-1985, SEC.32. Amended by P.L.152-1988, SEC.5; P.L.48-1991, SEC.19.*

**IC 25-1-8-6 Reinstatement of delinquent or lapsed licenses**

Sec. 6. (a) As used in this section, "board" means any of the following:

(1) Indiana board of accountancy (IC 25-2.1-2-1).
(2) Board of registration for architects and landscape architects (IC 25-4-1-2).
(3) Indiana athletic trainers board (IC 25-5.1-2-1).
(4) Indiana auctioneer commission (IC 25-6.1-2-1).
(6) Board of chiropractic examiners (IC 25-10-1).
(7) State board of cosmetology and barber examiners (IC 25-8-3-1).
(8) State board of dentistry (IC 25-14-1).
(9) Indiana dietitians certification board (IC 25-14.5-2-1).
(10) State board of registration for professional engineers (IC 25-31-1-3).
(12) State board of funeral and cemetery service (IC 25-15-9).
(13) Indiana state board of health facility administrators (IC 25-19-1).
(14) Committee of hearing aid dealer examiners (IC 25-20-1-1.5).
(15) Home inspectors licensing board (IC 25-20.2-3-1).
(16) Indiana hypnotist committee (IC 25-20.5-1-7).
(17) State board of registration for land surveyors (IC 25-21.5-2-1).
(18) Manufactured home installer licensing board (IC 25-23.7).
(19) Medical licensing board of Indiana (IC 25-22.5-2).
(20) Indiana state board of nursing (IC 25-23-1).
(21) Occupational therapy committee (IC 25-23.5).
(22) Indiana optometry board (IC 25-24).
(23) Indiana board of pharmacy (IC 25-26).
(24) Indiana physical therapy committee (IC 25-27).
(25) Physician assistant committee (IC 25-27.5).
(26) Indiana plumbing commission (IC 25-28.5-1-3).
(27) Board of podiatric medicine (IC 25-29-2-1).
(28) Private investigator and security guard licensing board (IC 25-30-1-5.2).
(29) State psychology board (IC 25-33).
(30) Indiana real estate commission (IC 25-34.1-2).
(31) Real estate appraiser licensure and certification board (IC 25-34.1-8).
(32) Respiratory care committee (IC 25-34.5).
(33) Behavioral health and human services licensing board (IC 25-23.6).
(34) Speech-language pathology and audiology board (IC 25-35.6-2).
(35) Indiana board of veterinary medical examiners (IC 25-38.1).
(36) State board of massage therapy (IC 25-21.8-2-1).

(b) This section does not apply to a license, certificate, or registration that has been revoked or suspended.

(c) Notwithstanding any other law regarding the reinstatement of a delinquent or lapsed license, certificate, or registration and except as provided in section 8 of this chapter, the holder of a license, certificate, or registration that was issued by the board that is three (3) years or less delinquent must be reinstated upon meeting the following requirements:

(1) Submission of the holder's completed renewal application.
(2) Payment of the current renewal fee established by the board under section 2 of this chapter.
(3) Payment of a reinstatement fee established by the Indiana professional licensing agency
(4) If a law requires the holder to complete continuing education as a condition of renewal, the holder:
(A) shall provide the board with a sworn statement, signed by the holder, that the holder has fulfilled the continuing education requirements required by the board; or
(B) shall, if the holder has not complied with the continuing education requirements, meet any requirements imposed under IC 25-1-4-5 and IC 25-1-4-6

(d) Notwithstanding any other law regarding the reinstatement of a delinquent or lapsed license, certificate, or registration and except as provided in section 8 of this chapter, unless a statute specifically does not allow a license, certificate, or registration to be reinstated if it has lapsed for more than three (3) years, the holder of a license, certificate, or registration that was issued by the board that is more than three (3) years delinquent must be reinstated upon meeting the following requirements:

(1) Submission of the holder's completed renewal application.
(2) Payment of the current renewal fee established by the board under section 2 of this chapter.
(3) Payment of a reinstatement fee equal to the current initial application fee.
(4) If a law requires the holder to complete continuing education as a condition of renewal, the holder:
(A) shall provide the board with a sworn statement, signed by the holder, that the holder has fulfilled the continuing education requirements required by the board; or
(B) shall, if the holder has not complied with the continuing education requirements, meet any requirements imposed under IC 25-1-4-5 and IC 25-1-4-6
(5) Complete such remediation and additional training as deemed appropriate by the board given the lapse of time involved.
(6) Any other requirement that is provided for in statute or rule that is not related to fees.

*As added by P.L.269-2001, SEC.5. Amended by P.L. 206-2005, SEC. 13; P.L.157-2006, SEC.20; P.L.185-2007, SEC.6; P.L.197-2007, SEC.20; P.L.3-2008, SEC.180; P.L.105-2008, SEC.2; P.L.122-2009, SEC.7; P.L.160-2009, SEC.9; P.L.84-2010, SEC.14.*

**IC 25-1-8-7 Repealed**

*(Repealed by P.L.157-2006, SEC.76.)*

**IC 25-1-8-8 License reinstatement; grounds for denial**

Sec. 8. (a) As used in this section, "board" has the meaning set forth in section 6(a) of this chapter.

(b) The licensing agency may delay reinstating a license, certificate, or registration for not more than ninety (90) days after the date the applicant applies for reinstatement of a license, certificate, or registration to permit the board to investigate information received by the licensing agency that the applicant for reinstatement may have committed an act for which the applicant may be disciplined. If the licensing agency delays reinstating a license, certificate, or registration, the licensing agency shall notify the applicant that the applicant is being investigated. Except as provided in subsection (c), the board shall do one (1) of the following before the expiration of the ninety (90) day period:

(1) Deny reinstatement of the license, certificate, or registration following a personal appearance by the applicant before the board.

(2) Reinstate the license, certificate, or registration upon satisfaction of all other requirements for reinstatement.

(3) Reinstate the license and file a complaint under IC 25-1-7.

(4) Request the office of the attorney general to conduct an investigation under subsection (d) if, following a personal appearance by the applicant before the board, the board has good cause to believe that the applicant engaged in activity described in IC 25-1-9-4 or IC 25-1-11-5.

(5) Upon agreement of the applicant and the board and following a personal appearance by the applicant before the board, reinstate the license, certificate, or registration and place the applicant on probation status under IC 25-1-9-9 or IC 25-1-11-12.

(c) If an applicant fails to appear before the board under subsection (b), the board may take action as provided in subsection (b)(1), (b)(2), or (b)(3).

(d) If the board makes a request under subsection (b)(4), the office of the attorney general shall conduct an investigation. Upon completion of the investigation, the office of the attorney general may file a petition alleging that the applicant has engaged in activity described in IC 25-1-9-4 or IC 25-1-11-5. If the office of the attorney general files a petition, the board shall set the matter for a public hearing. If, after a public hearing, the board finds that the applicant violated IC 25-1-9-4 or IC 25-1-11-5, the board may impose sanctions under IC 25-1-9-9 or IC 25-1-11-12. The board may delay reinstating a license, certificate, or registration beyond ninety (90) days after the date the applicant files an application for reinstatement of a license, certificate, or registration until a final determination is made by the board.

(e) The license, certificate, or registration of the applicant for license reinstatement remains invalid during the ninety (90) day period unless:

(1) the license, certificate, or registration is reinstated following a personal appearance by the applicant before the board before the end of the ninety (90) day period;

(2) the board issues a conditional license to the practitioner that is effective until the reinstatement is denied or the license is reinstated; or

(3) the reinstatement is denied.

If the ninety (90) day period expires without action by the board, the license, certificate, or registration shall be automatically reinstated at the end of the ninety (90) day period.

*As added by P.L.197-2007, SEC.21.*

## INDIANA CODE § 25-1-10

### Chapter 10. Reserved

## INDIANA CODE § 25-1-11

### Chapter 11. Professional Licensing Standards of Practice

**IC 25-1-11-1 Version a "Board" defined**

Sec. 1. As used in this chapter, "board" means any of the following:

(1) Indiana board of accountancy (IC 25-2.1-2-1).

(2) Board of registration for architects and landscape architects (IC 25-4-1-2).

(3) Indiana auctioneer commission (IC 25-6.1-2).

(4) State athletic commission (IC 25-9-1).

(5) State board of cosmetology and barber examiners (IC 25-8-3-1).

(6) State board of registration of land surveyors (IC 25-21.5-2-1).

(7) State board of funeral and cemetery service (IC 25-15-9).

(8) State board of registration for professional engineers (IC 25-31-1-3).

(9) Indiana plumbing commission (IC 25-28.5-1-3).

(10) Indiana real estate commission (IC 25-34.1-2-1).

(11) Real estate appraiser licensure and certification board (IC 25-34.1-8).

(12) Private investigator and security guard licensing board (IC 25-30-1-5.2).

(13) Manufactured home installer licensing board (IC 25-23.7).

(14) Home inspectors licensing board (IC 25-20.2-3-1)

(15) State board of massage therapy (IC 25-21.8-2-1)

*As added by P.L.214-1993, SEC.1. Amended by P.L.2-1995, SEC.93; P.L.234-1995, SEC.5; P.L.82-2000, SEC.6; P.L.162-2002, SEC.6; P.L.145-2003, SEC.6; P.L.185-2007, SEC.7; P.L.200-2007, SEC.7; P.L.3-2008, SEC.181; P.L.160-2009, SEC.10; P.L. 84-2010, SEC.18.*

**IC 25-1-11-1 Version b "Board" defined**

Sec. 1. As used in this chapter, "board" means any of the following:

(1) Indiana board of accountancy (IC 25-2.1-2-1).

(2) Board of registration for architects and landscape architects (IC 25-4-1-2).

(3) Indiana auctioneer commission (IC 25-6.1-2).

(4) State board of barber examiners (IC 25-7-5-1).

(5) State board of cosmetology examiners (IC 25-8-3-1).

(6) State board of registration of land surveyors (IC 25-21.5-2-1).

(7) State board of funeral and cemetery service (IC 25-15-9).

(8) State board of registration for professional engineers (IC 25-31-1-3).

(9) Indiana plumbing commission (IC 25-28.5-1-3).

(10) Indiana real estate commission (IC 25-34.1-2-1).

(11) Real estate appraiser licensure and certification board (IC 25-34.1-8).

(12) Private investigator and security guard licensing board (IC 25-30-1-5.2).

(13) Manufactured home installer licensing board (IC 25-23.7).

(14) Home inspectors licensing board (IC 25-20.2-3-1)

(15) State board of massage therapy (IC 25-21.8-2-1)

*As added by P.L.214-1993, SEC.1. Amended by P.L.2-1995, SEC.93; P.L.234-1995, SEC.5; P.L.82-2000, SEC.6; P.L.162-2002, SEC.6; P.L.145-2003, SEC.6; P.L.185-2007, SEC.7; P.L.200-2007, SEC.7; P.L.3-2008, SEC.181; P.L.160-2009, SEC.10; P.L. 113-2010, SEC. 103.*

**IC 25-1-11-2 "Practitioner" defined**

Sec. 2. As used in this chapter, "practitioner" means a person that holds:

(1) an unlimited license, certificate, registration, or permit;
(2) a limited or probationary license, certificate, registration, or permit;
(3) a temporary license, certificate, registration, or permit;
(4) an intern permit; or
(5) an inactive license;

issued by the board regulating a profession.

*As added by P.L.214-1993, SEC.1. Amended by P.L.236-1995, SEC.1.*

**IC 25-1-11-3 "License" defined**

Sec. 3. As used in this chapter, "license" includes a license, certificate, registration, or permit.

*As added by P.L.214-1993, SEC.1.*

**IC 25-1-11-4 "Person" defined**

Sec. 4. As used in this chapter, "person" means an individual, a partnership, a corporation, or a limited liability company.

*As added by P.L.214-1993, SEC.1. Amended by P.L.236-1995, SEC.2.*

**IC 25-1-11-5 Practitioner compliance with professional standards; findings; meriting disciplinary sanctions**

Sec. 5. (a) A practitioner shall comply with the standards established by the board regulating a profession. A practitioner is subject to the exercise of the disciplinary sanctions under section 12 of this chapter if, after a hearing, the board finds that:

(1) a practitioner has:
(A) engaged in or knowingly cooperated in fraud or material deception in order to obtain a license to practice, including cheating on a licensing examination;
(B) engaged in fraud or material deception in the course of professional services or activities;
(C) advertised services or goods in a false or misleading manner; or
(D) been convicted of a crime or assessed a civil penalty involving fraudulent billing practices.
(2) a practitioner has been convicted of a crime that:
(A) has a direct bearing on the practitioner's ability to continue to practice competently; or
(B) is harmful t o the public.
(3) a practitioner has knowingly violated a state statute or rule or federal statute or regulation regulating the profession for which the practitioner is licensed;
(4) a practitioner has continued to practice although the practitioner has become unfit to practice due to:
(A) professional incompetence, including undertaking professional activities that the practitioner is not qualified by training or experience to undertake;
(B) failure to keep abreast of current professional theory or practice;
(C) physical or mental disability; or
(D) addiction to, abuse of, or severe dependency on alcohol or other drugs that endanger the public by impairing a practitioner's ability to practice safely;
(5) a practitioner has engaged in a course of lewd or immoral conduct in connection with the delivery of services to the public;
(6) a practitioner has allowed the practitioner's name or a license issued under this chapter to be used in connection with an individual or business who renders services beyond the scope of that individual's or business's training, experience, or competence;
(7) a practitioner has had disciplinary action taken against the practitioner or the practitioner's license to practice in any state or jurisdiction on grounds similar to those under this chapter;
(8) a practitioner has assisted another person in committing an act that would constitute a ground for disciplinary sanction under this chapter;
(9) a practitioner has allowed a license issued by a board to be:
(A) used by another person; or
(B) displayed to the public when the license has expired, is inactive, or has been revoked or suspended; or
(10) a practitioner has failed to comply with an order imposing a sanction under section 12 of this chapter.

(b) If an applicant or a practitioner has engaged in or knowingly cooperated in fraud or material deception to obtain a license to practice, including cheating on the licensing examination, the board may rescind the license if it has been granted, void the examination or other fraudulent or deceptive material, and prohibit the applicant from reapplying for the license for a length of time established by the board. An applicant who is aggrieved by a decision of the board under this section is entitled to hearing and appeal rights under the Indiana administrative rules and procedures act (IC 4-21.5).

(c) A certified copy of the record of disciplinary action is conclusive evidence of the other jurisdiction's disciplinary action under subsection (a)(7).

*As added by P.L.214-1993, SEC.1. Amended by P.L.84-1998, SEC.6; P.L.113-1999, SEC.1; P.L.197-2007, SEC.24.*

**IC 25-1-11-6 Architect or landscape architect; grounds for disciplinary sanctions**

Sec. 6. A practitioner registered as an architect or a landscape architect is subject to the disciplinary sanctions under section 12 of this chapter if, after a hearing, the board finds that the practitioner has:

(1) permitted the practitioner's seal to be affixed to plans, specifications, or drawings that were not prepared by the practitioner or under the practitioner's personal supervision by the practitioner's regularly employed subordinates; or
(2) used the title "engineer" or advertised to practice engineering and is not registered under IC 25-31-1.

*As added by P.L.214-1993, SEC.1.*

**IC 25-1-11-7 Auctioneers; grounds for disciplinary sanctions**

Sec. 7. A practitioner licensed to practice auctioneering is subject to the disciplinary sanctions under section 12 of this chapter if, after a hearing, the board finds that the practitioner has failed to:

(1) account and to make payment under IC 25-6.1-6-2; or
(2) keep the funds of others separate from the practitioner's own private accounts.

*As added by P.L.214-1993, SEC.1.*

**IC 25-1-11-8 Barbers; grounds for disciplinary sanctions**

Sec. 8. A practitioner registered as a barber is subject to the disciplinary sanctions under section 12 of this chapter if, after a hearing, the board finds that the practitioner has continued to practice barbering while the practitioner has an infectious, a contagious, or a communicable disease that has been epidemiologically demonstrated to be transmitted through casual contact during the scope of practice of barbering.

*As added by P.L.214-1993, SEC.1.*

**IC 25-1-11-9 Engineers or land surveyors; grounds for disciplinary sanctions**

Sec. 9. A practitioner registered as an engineer or a land surveyor is subject to the disciplinary sanctions under section 12 of this chapter if, after a hearing, the board finds that the practitioner:

(1) has permitted the practitioner's seal to be affixed to plans, specifications, or drawings not prepared by the practitioner or under the practitioner's personal supervision by the practitioner's regularly employed subordinates;
(2) has used the title "architect" or advertised to practice architecture and is not registered under IC 25-4-1.
*As added by P.L.214-1993, SEC.1.*

**IC 25-1-11-9.5 Repealed**
*(Repealed by P.L. 194-2005, SEC. 87.)*

**IC 25-1-11-10 Physical and mental examination of practitioner**
Sec. 10. The board may order a practitioner to submit to a reasonable physical or mental examination, at the practitioner's expense, if the practitioner's physical or mental capacity to practice safely and competently is at issue in a disciplinary proceeding.
*As added by P.L.214-1993, SEC.1. Amended by P.L.178-1997, SEC.1. Amended by P.L. 194-2005, SEC. 7.*

**IC 25-1-11-11 Refusal of physical or mental examination; summary suspension**
Sec. 11. Failure to comply with a board order to submit to a physical or mental examination makes a practitioner liable to summary suspension under section 13 of this chapter.
*As added by P.L.214-1993, SEC.1.*

**IC 25-1-11-12 Sanctions for violations**
Sec. 12. (a) The board may impose any of the following sanctions, singly or in combination, if the board finds that a practitioner is subject to disciplinary sanctions under sections 5 through 9 of this chapter:
(1) Permanently revoke a practitioner's license.
(2) Suspend a practitioner's license.
(3) Censure a practitioner.
(4) Issue a letter of reprimand.
(5) Place a practitioner on probation status and require the practitioner to:
(A) report regularly to the board upon the matters that are the basis of probation;
(B) limit practice to those areas prescribed by the board;
(C) continue or renew professional education approved by the board until a satisfactory degree of skill has been attained in those areas that are the basis of the probation; or
(D) perform or refrain from performing any acts, including community restitution or service without compensation, that the board considers appropriate to the public interest or to the rehabilitation or treatment of the practitioner.
(6) Assess a civil penalty against the practitioner for not more than one thousand dollars ($1,000) for each violation listed in sections 5 through 9 of this chapter except for a finding of incompetency due to a physical or mental disability.
(7) Order a practitioner to pay consumer restitution to a person who suffered damages as a result of the conduct or omission that was the basis for the disciplinary sanctions under this chapter.
(b) When imposing a civil penalty under subsection (a)(6), the board shall consider a practitioner's ability to pay the amount assessed. If the practitioner fails to pay the civil penalty within the time specified by the board, the board may suspend the practitioner's license without additional proceedings. However, a suspension may not be imposed if the sole basis for the suspension is the practitioner's inability to pay a civil penalty.
(c) The board may withdraw or modify the probation under subsection (a)(5) if the board finds after a hearing that the deficiency that required disciplinary action has been remedied or that changed circumstances warrant a modification of the order.
*As added by P.L.214-1993, SEC.1. Amended by P.L.32-2000, SEC.12; P.L.177-2009, SEC.17.*

**IC 25-1-11-13 Summary suspension of practitioners; real estate appraisers; notification by consumer protection division**
Sec. 13. (a) The board may summarily suspend a practitioner's license for ninety (90) days before a final adjudication or during the appeals process if the board finds that a practitioner represents a clear and immediate danger to the public's health, safety, or property if the practitioner is allowed to continue to practice. The summary suspension may be renewed upon a hearing before the board, and each renewal may be for not more than ninety (90) days.
(b) The board may summarily suspend the license of a real estate appraiser for ninety (90) days before a final adjudication or during the appeals process if the board finds that the licensed real estate appraiser has engaged in material and intentional misrepresentations or omissions in the preparation of at least three (3) written appraisal reports that were submitted by a person to obtain a loan. The summary suspension may be renewed after a hearing before the board. Each renewal of a summary suspension may be for not more than ninety (90) days.
(c) Before the board may summarily suspend a license under this section, the consumer protection division of the office of the attorney general office shall make a reasonable attempt to notify a practitioner of:
(1) a hearing by the board to suspend the practitioner's license: and
(2) information regarding the allegation against the practitioner.
The consumer protection division of the office of the attorney general shall also notify the practitioner that the practitioner may provide a written or an oral statement to the board on the practitioner's behalf before the board issues an order for summary suspension. A reasonable attempt to notify the practitioner is made if the consumer protection division of the office of the attorney general attempts to notify the practitioner by telephone or facsimile at the last telephone number or facsimile number of the practitioner on file with the board.
*As added by P.L.214-1993, SEC.1. Amended by P.L.178-1997, SEC.2; P.L.197-2007, SEC.25; P.L.209-2007, SEC.3; P.L.3-2008, SEC.182.*

**IC 25-1-11-14 Reinstatement of suspended license**
Sec. 14. The board may reinstate a license that has been suspended under this chapter if, after a hearing, the board is satisfied that the applicant is able to practice with reasonable skill, safety, and competency to the public. As a condition of reinstatement, the board may impose disciplinary or corrective measures authorized under this chapter.
*As added by P.L.214-1993, SEC.1. Amended by P.L.178-1997, SEC.3.*

**IC 25-1-11-15 Reinstatement of revoked license**
Sec. 15. The board may not reinstate a license that has been revoked under this chapter. An individual whose license has been revoked under this chapter may not apply for a new license until seven (7) years after the date of revocation.
*As added by P.L.214-1993, SEC.1.*

**IC 25-1-11-16 Consistency of sanctions**
Sec. 16. The board shall seek to achieve consistency in the application of sanctions authorized in this chapter. Significant departures from prior decisions involving similar conduct must be explained in the board's findings or orders.
*As added by P.L.214-1993, SEC.1.*

**IC 25-1-11-17 Surrender of practitioner license**
Sec. 17. (a) Except as provided in subsection (b), a practitioner may petition the board to accept the surrender of the practitioner's license instead of having a hearing before the board. The practitioner may not surrender the practitioner's license without the written approval of the

board, and the board may impose any conditions appropriate to the surrender or reinstatement of a surrendered license.

(b) The board may not approve the surrender of a practitioner's license under subsection (a) if the office of the attorney general:

(1) has filed an administrative complaint concerning the practitioner's license; and

(2) opposes the surrender of the practitioner's license.

*As added by P.L.214-1993, SEC.1. Amended by P.L.105-2009, SEC.13; P.L.52-2009, SEC.10.*

**IC 25-1-11-18 Costs; practitioners subjected to sanctions**

Sec. 18. A practitioner who has been subjected to disciplinary sanctions may be required by a board to pay the costs of the proceeding. The practitioner's ability to pay shall be considered when costs are assessed. If the practitioner fails to pay the costs, a suspension may not be imposed solely upon the practitioner's inability to pay the amount assessed. These costs are limited to costs for the following:

(1) Court reporters.
(2) Transcripts.
(3) Certification of documents.
(4) Photo duplication.
(5) Witness attendance and mileage fees.
(6) Postage.
(7) Expert witnesses.
(8) Depositions.
(9) Notarizations.
(10) Administrative law judges.
(11) Real estate review appraisals, if applicable.

*As added by P.L.214-1993, SEC.1. Amended by P.L. 194-2005, SEC. 8; P.L.105-2009, SEC.14; P.L.52-2009, SEC.11.*

**IC 25-1-11-19 Refusal of licensure or granting of probationary license**

Sec. 19. (a) The board may refuse to issue a license or may issue a probationary license to an applicant for licensure if:

(1) the applicant has:
(A) been disciplined by a licensing entity of another state or jurisdiction; or
(B) committed an act that would have subjected the applicant to the disciplinary process if the applicant had been licensed in Indiana when the act occurred; and

(2) the violation for which the applicant was or could have been disciplined has a bearing on the applicant's ability to competently perform or practice the profession in Indiana.

(b) The board may:

(1) refuse to issue a license; or
(2) issue a probationary license;

to an applicant for licensure if the applicant practiced without a license in violation of the law.

(c) Whenever the board issues a probationary license, the board may require a licensee to do any of the following:

(1) Report regularly to the board upon the matters that are the basis of the discipline of the other state or jurisdiction.
(2) Limit practice to the areas prescribed by the board.
(3) Continue or renew professional education requirements.
(4) Engage in community restitution or service without compensation for the number of hours specified by the board.
(5) Perform or refrain from performing an act that the board considers appropriate to the public interest or to the rehabilitation or treatment of the applicant.

(d) The board shall remove any limitations placed on a probationary license under this section if the board finds after a public hearing that the deficiency that required disciplinary action has been remedied.

*As added by P.L.194-2005, SEC.9. Amended by P.L.197-2007, SEC.26.*

**IC 25-1-11-20 Applicant appearance before board**

Sec. 20. The board may require an applicant for licensure to appear before the board before issuing a license.

As added by P.L. 194-2005, SEC. 10.

**IC 25-1-11-21 Adoption of rules; spouses of active duty military personnel**

Sec. 21. The board may adopt rules under IC 4-22-2, including emergency rules under IC 4-22-2-37.1, to establish procedures to expedite the issuance or renewal of a:

(1) license;
(2) certificate;
(3) registration; or
(4) permit;

of a person whose spouse serves on active duty (as defined in IC 25-1-12-2) and is assigned to a duty station in Indiana.

*As added by P.L.144-2007, SEC.26.*

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**INIDIANA CODE § 25-1-12**

**Chapter 12. Renewal of Licenses Held by Individuals in Military Service**

**IC 25-1-12-1 Applicability of chapter**

Sec. 1. This chapter applies to an individual who:

(1) holds a license, certificate, registration, or permit under this title, IC 16, or IC 22; and
(2) is called to active duty.

*As added by P.L.88-2004, SEC.2. Amended by P.L.2-2008, SEC.61.*

**IC 25-1-12-2 "Active duty" defined**

Sec. 2. As used in this chapter, "active duty" means full-time service in the:

(1) armed forces of the United States; or
(2) national guard;

for a period that exceeds thirty (30) consecutive days in a calendar year.

*As added by P.L.88-2004, SEC.2.*

**IC 25-1-12-3 "Armed forces of the United States" defined**

Sec. 3. As used in this chapter, "armed forces of the United States" means the active or reserve components of:

(1) the army;
(2) the navy;
(3) the air force;
(4) the coast guard;
(5) the marine corps; or
(6) the merchant marine.

*As added by P.L.88-2004, SEC.2. Amended by P.L. 2-2005, SEC. 64.*

**IC 25-1-12-4 "National guard" defined**

Sec. 4. As used in this chapter, "national guard" means:

(1) the Indiana army national guard; or
(2) the Indiana air national guard.

*As added by P.L.88-2004, SEC.2.*

**IC 25-1-12-5 "Practitioner" defined**

Sec. 5. As used in this chapter, "practitioner" means an individual who holds:

(1) an unlimited license, certificate, or registration;
(2) a limited or probationary license, certificate, or registration;
(3) a temporary license, certificate, registration, or permit;

(4) an intern permit; or
(5) a provisional license;
issued under this title, IC 16, or IC 22.
*As added by P.L.88-2004, SEC.2. Amended by P.L.2-2008, SEC.62.*

**IC 25-1-12-6 Extension to renew license or complete continuing education; requirements for extension; additional extensions**

Sec. 6. (a) Notwithstanding any other law, a practitioner who is called to active duty out-of-state and meets the requirements of subsection (b) is entitled to an extension of time described in subsection (c) to:
(1) renew; and
(2) complete the continuing education required by;
the practitioner's license, certificate, registration, or permit.

(b) The practitioner must meet the following requirements to receive the extension of time provided under subsection (a):
(1) On the date the practitioner enters active duty, the practitioner's license, certificate, registration, or permit may not be revoked, suspended, lapsed, or be the subject of a complaint under IC 25-1-7.
(2) The practitioner's license, certificate, registration, or permit must expire while the practitioner is out-of-state on active duty and the practitioner must not have received the notice of expiration before the date the practitioner entered active duty.
(3) The practitioner shall provide proof of out-of-state active duty by providing a copy of the practitioner's:
(A) discharge; or
(B) government movement orders;
to the agency, board, commission, or committee issuing the practitioner's license, certificate, registration, or permit at the time the practitioner renews the practitioner's license, certificate, registration, or permit under this chapter.

(c) The extension of time provided under subsection (a) is equal to one hundred eighty (180) days after the date of the practitioner's discharge or release from active duty.

(d) The agency, board, commission, or committee that issued the practitioner's license, certificate, registration, or permit may extend the period provided in subsection (c) if the agency or board determines that an illness, an injury, or a disability related to the practitioner's active duty prevents the practitioner from renewing or completing the continuing education required for the practitioner's license, certificate, registration, or permit. However, the agency, board, commission, or committee may not extend the period for longer than three hundred sixty-five (365) days after the date of the practitioner's discharge or release from active duty.
*As added by P.L.88-2004, SEC.2. Amended by P.L. 2-2005, SEC. 65.*

**IC 25-1-12-7 Waiver of late fees**

Sec. 7. Any late fees that may be assessed against a practitioner in connection with a renewal under this chapter are waived.
*As added by P.L.88-2004, SEC.2.*

**IC 25-1-12-8 Construction with federal law**

Sec. 8. This chapter may not be construed as a restriction or limitation on any of the rights, benefits, and protections granted to a member of:
(1) the armed forces of the United States; or
(2) the national guard;
under federal law.
*As added by P.L.88-2004, SEC.2.*

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**INDIANA CODE § 25-1-14**

**Chapter 14. Meetings**

**IC 25-1-14-1 Applicability**

Sec. 1. This section applies to a meeting of a board, committee, or commission listed in IC 25-1-5-3 or IC 25-1-6-3.
*As added by P.L.179-2007, SEC.14.*

**IC 25-1-14-2 Participation by member not physically present at meeting**

Sec. 2. (a) A member of a board, committee, or commission may participate in a meeting of the board, committee, or commission:
(1) except as provided in subsections (b) and (c), at which at least a quorum is physically present at the place where the meeting is conducted; and
(2) by using a means of communication that permits:
(A) all other members participating in the meeting; and
(B) all members of the public physically present at the place where the meeting is conducted;
to simultaneously communicate with each other during the meeting.

(b) A member of a board, committee, or commission may participate in an emergency meeting of the board, committee, or commission to consider disciplinary sanctions under IC 25-1-9-10 or IC 25-1-11-13 by using a means of communication that permits:
(1) all other members participating in the meeting; and
(2) all members of the public physically present at the place where the meeting is conducted;
to simultaneously communicate with each other during the meeting.

(c) A member of the state athletic commission may participate in meetings of the commission to consider the final approval of a permit for a particular boxing, sparring, or unarmed combat match or exhibition under IC 25-9-1-6(b) by using a means of communication that permits:
(1) all other members participating in the meeting; and
(2) all members of the public physically present at the place where the meeting is conducted;
to simultaneously communicate with each other during the meeting.

(d) A member who participates in a meeting under subsection (b) or (c):
(1) is considered to be present at the meeting;
(2) shall be counted for purposes of establishing a quorum; and
(3) may vote at the meeting.
*As added by P.L.179-2007, SEC.14. Amended by P.L.105-2008, SEC.3; P.L.160-2009, SEC.11.*

**IC 25-1-14-3 Member considered present**

Sec. 3. A member who participates in a meeting under section 2 of this chapter:
(1) is considered to be present at the meeting;
(2) shall be counted for purposes of establishing a quorum; and
(3) may vote at the meeting.
*As added by P.L.179-2007, SEC.14.*

**IC 25-1-14-4 Meeting memoranda requirements**

Sec. 4. The memoranda of the meeting prepared under IC 5-14-1.5-4 must state the name of:
(1) each member who was physically present at the place where the meeting was conducted;
(2) each member who participated in the meeting by using a means of communication described in section 2 of this chapter; and
(3) each member who was absent.
*As added by P.L.179-2007, SEC.14.*

**Non-Code Provision under Public Law 206-2005**

**P.L. 206-2005, SECTION 16**

(a) The rules adopted by the health professions bureau before July 1, 2005, and in effect on June 30, 2005, shall be treated after June 30, 2005, as the rules of the Indiana professional licensing agency.

(b) On July 1, 2005, the Indiana professional licensing agency becomes the owner of all of the property of the health professions bureau. An appropriation made to the health professions bureau shall be treated after June 30, 2005, as an appropriation to the Indiana professional licensing agency.

(c) Any reference in a law, a rule, a license, a registration, a certification, or an agreement to the health professions bureau shall be treated after June 30, 2005, as a reference to the Indiana professional licensing agency.

## INDIANA CODE § 4-6

## ARTICLE 6. ATTORNEY GENERAL

## INDIANA CODE § 4-6-14

### Chapter 14. Health Records and Identifying Information Protection

**IC 4-6-14-1 "Abandoned"**

Sec. 1. As used in this chapter, "abandoned" means voluntarily surrendered, relinquished, or disclaimed by the health care provider or regulated professional, with no intention of reclaiming or regaining possession.

*As added by P.L.84-2010, SEC.1.*

**IC 4-6-14-2 "Health care provider"**

Sec. 2. As used in this chapter, "health care provider" means a person listed in IC 16-39-7-1(a)(1) through IC 16-39-7-1(a)(11).

*As added by P.L.84-2010, SEC.1.*

**IC 4-6-14-3 "Personal Information"**

Sec. 3. As used in this chapter, "abandoned" means voluntarily surrendered, relinquished, or disclaimed by the health care provider or regulated professional, with no intention of reclaiming or regaining possession.

*As added by P.L.84-2010, SEC.1.*

**IC 4-6-14-4 "Regulated professional"**

Sec. 4. Sec. 4. As used in this chapter, "regulated professional" means an individual who is regulated by a board listed under IC 25-1-11-1.

*As added by P.L.84-2010, SEC.1.*

**IC 4-6-14-5 Attorney general's powers**

Sec. 5. The attorney general may do the following with abandoned health records and other records that contain personal information:

(1) Take possession of.
(2) Store.
(3) Maintain.
(4) Transfer.
(5) Protect.
(6) Destroy, subject to the limitations in sections 8(b) and 9(b) of this chapter.

*As added by P.L.84-2010, SEC.1.*

**IC 4-6-14-6 Determination of abandonment**

Sec. 6. (a) Before taking any action described in section 5 of this chapter, the attorney general shall determine whether a health care provider or regulated professional has abandoned health records or records containing personal information.

(b) A determination of abandonment under this section may only be used for the purpose of taking an action described in this chapter. However, a subsequent enforcement action may take place under a state or federal law based on proof of facts that may have contributed to the determination of abandonment if the facts are proved in a subsequent enforcement action.

(c) An investigation to make a determination of abandonment under this section must be conducted under the attorney general's authority under existing state and federal law. Nothing in this chapter shall be construed to create new authority for a subpoena or search warrant.

*As added by P.L.84-2010, SEC.1.*

**IC 4-6-14-7 Notification**

Sec. 7. (a) The attorney general shall make reasonable efforts to notify the patients and those individuals identified in:

(1) health records; or
(2) records or documents that contain personal information;

that the attorney general has taken possession of the records or documents. The notice in this subsection must include information about the procedure for either obtaining originals or copies of the records or having the original records sent to a duly authorized subsequent treating health care provider.

(b) Unless prohibited by law, the attorney general may also notify other persons, including professional organizations, hospitals, law enforcement agencies, and government units, who:

(1) may be able to assist in notifying persons whose records were abandoned and secured by the attorney general under this chapter; and
(2) when appropriate, may be able to assist in returning the records to those persons.

*As added by P.L.84-2010, SEC.1.*

**IC 4-6-14-8 Length of time health records must be maintained; destruction of records**

Sec. 8. (a) The attorney general shall maintain health records obtained under section 5 of this chapter for the lesser of the following:

(1) The time required under IC 16-39-7-1 and IC 16-39-7-2.
(2) Three (3) years after the date the records are secured.

(b) When the time expires under subsection (a), the attorney general may destroy the health records obtained under section 5 of this chapter.

*As added by P.L.84-2010, SEC.1.*

**IC 4-6-14-9 Length of time personal information records must be maintained; destruction of records**

Sec. 9. (a) The attorney general shall maintain records that are not health records but contain personal information for at least three (3) years after the date the records are seized or secured.

(b) When the time expires under subsection (a) and after notification under section 7 of this chapter, the attorney general may destroy the records that contain personal information.

*As added by P.L.84-2010, SEC.1.*

**IC 4-6-14-10 Health records and personal identifying information protection trust fund**

Sec. 10. (a) The health records and personal identifying information protection trust fund is established for the purpose of paying storage, maintenance, copying, mailing, and transfer of:

(1) health records; and
(2) records containing personal information;

as required under this chapter. Expenditures from the trust fund may be made only to carry out the purposes of this subsection.

(b) Subject to subsection (c), if a health care provider or a regulated professional is disciplined under IC 25-1-9 or IC 25-1-11, the board that issues the disciplinary order shall impose a fee against the individual of five dollars ($5). The fee must be deposited into the health records and personal identifying information protection trust fund.

(c) If the amount in the health records and personal identifying information protection trust fund exceeds seventy-five thousand dollars ($75,000), the fee imposed under subsection (b) may not be imposed on an individual who is subject to a disciplinary order.

(d) The attorney general shall administer the trust fund.

(e) The expenses of administering the trust fund shall be paid from the money in the fund.

(f) The treasurer of state shall invest the money in the trust fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested.

(g) Money in the trust fund at the end of a state fiscal year does not revert to the state general fund.
*As added by P.L.84-2010, SEC.1.*

**IC 4-6-14-11 Immunity**
Sec. 11. The attorney general is immune from civil liability for destroying or failing to maintain custody and control of any record obtained under this chapter.
*As added by P.L.84-2010, SEC.1.*

**IC 4-6-14-12 Cooperation with other agencies**
Sec. 12. The following may cooperate with the attorney general's office to implement this chapter:
(1) The Indiana professional licensing agency and the appropriate board that regulates a health care provider or a regulated professional under IC 25.
(2) The state police department.
(3) A prosecuting attorney.
(4) Local law enforcement agencies.
(5) Federal law enforcement agencies.
*As added by P.L.84-2010, SEC.1.*

**IC 4-6-14-13 Rules**
Sec. 13. The attorney general may adopt rules under IC 4-22-2 that are necessary to administer and implement this chapter.
*As added by P.L.84-2010, SEC.1.*

**IC 4-6-14-14 Judicial review**
Sec. 14. A determination by the attorney general that health records or other records that contain personal information have been abandoned is subject to review in a circuit or superior court. A person who seeks to enforce this section must first notify the attorney general of the intention to seek judicial review.
*As added by P.L.84-2010, SEC.1.*

**IC 4-6-14-15 Funding**
Sec. 15. The attorney general may pay for the administration of this chapter only from funds currently appropriated to the office of the attorney general.
*As added by P.L.84-2010, SEC.1.*

## TITLE 876 INDIANA REAL ESTATE COMMISSION

## ARTICLE 1. GENERAL PROVISIONS

### Rule 1. Definitions; Licensing; Miscellaneous Provisions

**876 IAC 1-1-1 Authority; purpose**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1**

Sec. 1. The fundamental and primary purpose of the real estate commission is to safeguard the public interest through encouraging and requiring high standards of knowledge; through encouraging ethical practices; through disciplining of licensees who engage in dishonest, fraudulent, or criminal activities in the conduct of real estate transactions; and through causing the prosecution of any person who violates IC 25-34.1 and the rules of the commission.

*(Indiana Real Estate Commission; Rule 2; filed Sep 28, 1977, 4:30 p.m.: Rules and Regs. 1978, p. 794; filed Dec 9, 1988, 1:25 p.m.: 12 IR 925, eff Jan 8, 1989; errata filed Dec 21, 1988, 3:45 p.m.: 12 IR 1209; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 1-1-2 Effective date *(Repealed)***

Sec. 2. *(Repealed by Indiana Real Estate Commission; filed Dec 11, 1986, 10:40 pm: 10 IR 881)*

**876 IAC 1-1-3 Definitions**
**Authority: IC 25-34.1-2-5; IC 25-34.1-2-5.1**
**Affected: IC 25-34.1-3-2; IC 25-34.1-5**

Sec. 3. (a) The definitions in this section apply throughout this title.

(b) "Person" means an individual, partnership, or corporation.

(c) "Commission" means the Indiana real estate commission.

(d) "Real estate" means any right, title, or interest in real property.

(e) "License" means a right to perform, for compensation, any of the acts provided in IC 25-34.1-3-2, as evidenced by a valid pocket card issued by the Indiana real estate commission.

(f) "Licensee" means one who holds a valid salesperson or broker license issued by the commission.

(g) "Course approval" means approval of a broker or a salesperson course granted under IC 25-34.1-5 and 876 IAC 2, which is not expired, suspended, or revoked.

(h) "Licensing agency" means the Indiana professional licensing agency.

(i) "Principal broker" means the individual broker, including the broker designated as representative of a corporation or partnership whom the commission shall hold responsible for the actions of licensees who are assigned to the principal broker.

(j) "Listing principal broker" means a principal broker who has a written contract with an owner, allowing him to sell, buy, trade, exchange, option, lease, rent, manage, list, or appraise real estate.

(k) "Selling principal broker" means a principal broker who is acting on behalf of the buyer and who provides an accepted offer to purchase to the seller.

(l) "Managing broker" means a broker who manages a branch office.

(m) "Branch office" means a real estate broker's office other than his principal place of business.

(n) "Broker" means any person, partnership, or corporation, who holds a valid broker's license issued by the commission. A person who, for consideration:

(1) sells;
(2) buys;
(3) trades;
(4) exchanges;
(5) options;
(6) leases;
(7) rents;
(8) manages;
(9) lists;
(10) refers; or
(11) appraises;

real estate or negotiates or offers to perform any of those acts.

(o) "Salesperson" means any person holding a valid salesperson's license issued by the commission. An individual, other than a broker, who, for consideration and in association with and under the auspices of a principal broker:

(1) sells;
(2) buys;
(3) trades;
(4) exchanges;
(5) options;
(6) leases;
(7) rents;
(8) manages; or
(9) lists;

real estate or negotiates or offers to perform any of those acts.

(p) "Broker-salesperson" means an individual who meets all the legal requirements of a broker but elects to operate in association with and under the auspices of a principal broker to whom his license is assigned. The broker-salesperson is subject to all rules and regulations applying to salespersons in association with a principal broker.

(q) "He" shall also mean she.

(r) "Owner/seller" means that person or persons of record in titled to having an interest in the property or their duly authorized representative.

(s) "Referral" means the act of recommending or referring a sales lead that develops a client or customer.

(t) "Referral service" means a company or part of a company or franchise system established for the purpose of recommending or referring client or customer leads to other brokers.

*(Indiana Real Estate Commission; Rule 4; filed Sep 28, 1977, 4:30 p.m.: Rules and Regs. 1978, p. 794; filed Mar 13, 1980, 2:30 p.m.: 3 IR 646; filed Dec 11, 1986, 10:40 a.m.: 10 IR 874; filed Dec 9, 1988, 1:25 p.m.: 12 IR 925, eff Jan 8, 1989; errata filed Dec 21, 1988, 3:45 p.m.: 12 IR 1209; errata filed May 15, 1989, 2:20 p.m.: 12 IR 1907; filed Jun 14, 1995, 11:00 a.m.: 18 IR 2785; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; filed Aug 15, 2001, 9:50 a.m.: 25 IR 101; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 1-1-4 Licensing requirements *(Repealed)***

Sec. 4. *(Repealed by Indiana Real Estate Commission; filed Mar 13, 1980, 2:50 pm: 3 IR 649)*

**876 IAC 1-1-5 Approval of courses of study; application; criteria *(Repealed)***

Sec. 5. *(Repealed by Indiana Real Estate Commission; filed Dec 9, 1988, 1:25 p.m.: 12 IR 936, eff Jan 8, 1989; errata filed Dec 21, 1988, 3:45 p.m.: 12 IR 1209.*

**876 IAC 1-1-6 Examinations *(Repealed)***

Sec. 6. *(Repealed by Indiana Real Estate Commission; filed Mar 13, 1980, 2:50 pm: 3 IR 649)*

**876 IAC 1-1-6.5 Examinations; passing score *(Repealed)***

Sec. 6.5. *(Repealed by Indiana Real Estate Commission; filed Dec 9, 1988, 1:25 p.m.: 12 IR 936, eff Jan 8, 1989; errata filed Dec 21, 1988, 3:45 p.m.: 12 IR 1209)*

**876 IAC 1-1-7 Application for examination; fee; instructors *(Repealed)***

Sec. 7. *(Repealed by Indiana Real Estate Commission; filed Dec 9, 1988, 1:25 p.m.: 12 IR 936, eff Jan 8, 1989; errata filed Dec 21, 1988, 3:45 p.m.: 12 IR 1209)*

**876 IAC 1-1-7.5 Extension of application deadline for subsequent application *(Repealed)***

Sec. 7.5. *(Repealed by Indiana Real Estate Commission; filed Dec 30, 1981, 3:25 pm: 5 IR 399)*

**876 IAC 1-1-8 Name included on list of qualified applicants *(Repealed)***

Sec. 8. *(Repealed by Indiana Real Estate Commission; filed Mar 13, 1980, 2:50 pm: 3 IR 649)*

**876 IAC 1-1-9 Payment of fees and submission of documents after passing *(Repealed)***

Sec. 9. *(Repealed by Indiana Real Estate Commission; filed Mar 13, 1980, 2:50 pm: 3 IR 649)*

**876 IAC 1-1-10 Application of salesperson for broker's license *(Repealed)***

Sec. 10. *(Repealed by Indiana Real Estate Commission; filed Mar 13, 1980, 2:50 pm: 3 IR 649)*

**876 IAC 1-1-11 Application for corporation or partnership license**

**Authority: IC 25-34.1-2-5**

**Affected: IC 25-34.1-3-3.1**

Sec. 11. Applicants for licensure as a corporation, or partnership must have a sponsoring or responsible individual duly licensed as a real estate broker within the partnership or corporation. All licensees associated with the brokerage firm shall be supervised on site by said responsible broker. All employees, agents, and officers of said corporation who intend to or do engage in the sale of real estate or perform duties of real estate salespersons or brokers must possess an active broker's or salesperson's license. All corporations must provide a copy of the Certificate of Incorporation with the application for licensure.

*(Indiana Real Estate Commission; Rule 12; filed Sep 28, 1977, 4:30 pm: Rules and Regs. 1978, p. 798; filed Sep 12, 1978, 3:46 pm: 1 IR 718; filed Dec 11, 1986, 10:40 am: 10 IR 877; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 1-1-12 Partnership license *(Repealed)***

Sec. 12. *(Repealed by Indiana Real Estate Commission; filed Dec 11, 1986, 10:40 am: 10 IR 881)*

**876 IAC 1-1-13 Expiration of license; reinstatement *(Repealed)***

Sec. 13. *(Repealed by Indiana Real Estate Commission; filed Mar 13, 1980, 2:50 pm: 3 IR 649)*

**876 IAC 1-1-14 Reinstatement of inactive license *(Repealed)***

Sec. 14. *(Repealed by Indiana Real Estate Commission; filed Mar 13, 1980, 2:50 pm: 3 IR 649)*

**876 IAC 1-1-15 Schedule of fees *(Repealed)***

Sec. 15. *(Repealed by Indiana Real Estate Commission; filed Mar 13, 1980, 2:50 pm: 3 IR 649)*

**876 IAC 1-1-16 Insufficiency of fee payment; opportunity to make proper payment *(Repealed)***

Sec. 16. *(Repealed by Indiana Real Estate Commission; filed Mar 13, 1980, 2:50 pm: 3 IR 649)*

**876 IAC 1-1-17 Evidence of current licensure**

**Authority: IC 25-34.1-2-5**

**Affected: IC 25-34.1-3-3.1**

Sec. 17. Every real estate office shall maintain evidence of current licensure for all licensees associated with said office. Principal broker shall provide upon request of the commission or its investigators evidence of current licensure and a complete list of all licensees associated with said broker.

*(Indiana Real Estate Commission; Rule 18; filed Sep 28, 1977, 4:30 pm: Rules and Regs. 1978, p. 799; filed Dec 11, 1986, 10:40 am: 10 IR 877; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 1-1-18 Supervision of office by licensed broker; branch offices; notice by principal broker**

**Authority: IC 25-34.1-2-5**

**Affected: IC 25-34.1-3-3.1; IC 25-34.1-3-4.1**

Sec. 18. Every real estate office or real estate branch office whether operated as a corporation, partnership, or sole proprietorship, shall be directed, supervised, and managed by a licensed real estate broker. The office or branch office shall constitute the managing broker's principal and sole place of real estate business. Said managing broker may be the principal broker in cases where there is only one office. The principal broker must submit to the commission a Branch Office Registration Form prior to the opening of any branch office. Said principal broker shall notify the commission when any licensee associated with said principal broker transfers from one branch office to another branch office within the same association.

*(Indiana Real Estate Commission; Rule 19; filed Sep 28, 1977, 4:30 pm: Rules and Regs. 1978, p. 799; filed Mar 13, 1980, 2:30 pm: 3 IR 647; filed Dec 11, 1986, 10:40 am: 10 IR 877; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 1-1-19 Termination of association with principal broker; duties of parties**

**Authority: IC 25-1-8-2; IC 25-34.1-2-5**

**Affected: IC 25-34.1-3-3.1; IC 25-34.1-3-4.1**

Sec. 19. Any licensee, upon termination of his or her association with a principal broker, shall turn over to the principal broker any and all listings obtained during his or her association unless otherwise stipulated by a written contract. The listings shall remain the property of the principal broker whether originally given to the licensee by the principal broker or copied from the records of the broker. The principal broker of a terminated salesperson is responsible for submitting to the commission within five (5) business days of the termination, a notification form provided by the commission and signed by the terminating broker and attesting to the termination. In the event the terminated licensee is transferring to a new principal broker, it shall be the responsibility of the licensee to provide the commission with a transfer application signed by the licensee and the new principal broker and pay the transfer fee established in 876 IAC 2-18-1. The licensee is responsible for submitting to the commission the transfer application at the time of this association with another principal broker. The broker-salesperson's or salesperson's license will remain in the commission's unassigned file of licensees who are currently not associated with a principal broker until a transfer application is timely received. A licensee who terminates his or her association with a principal broker must immediately notify the commission of his or her change of address.

*(Indiana Real Estate Commission; Rule 20; filed Sep 28, 1977, 4:30 p.m.: Rules and Regs. 1978, p. 799; filed Jan 16, 1979, 11:55 a.m.: 2 IR 315; filed Mar 13, 1980, 2:40 p.m.: 3 IR 648; filed Dec 11, 1986, 10:40 a.m.: 10 IR 877; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; filed Oct*

*23, 2003, 4:00 p.m.: 27 IR 877; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 1-1-20 Splitting commissions**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-3-4.1**

Sec. 20. A listing principal broker may offer a portion of his commission as an inducement to selling principal brokers to sell a particular property. Such commission must be paid to the selling principal broker and in no case shall it be paid directly to a licensee associated with the selling principal broker.

*(Indiana Real Estate Commission; Rule 21; filed Sep 28, 1977, 4:30 pm: Rules and Regs. 1978, p. 800; filed Dec 11, 1986, 10:40 am: 10 IR 878; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 1-1-21 Associating with unlicensed person; penalty**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-6-1.1**

Sec. 21. Any principal broker found guilty of associating with any person and allowing said person to perform any of the acts set forth in the definition of a licensee, whether an initial applicant or a transfer, before the said person is properly licensed, shall be, after notice and hearing, subject to suspension or revocation of his license.

*(Indiana Real Estate Commission; Rule 22; filed Sep 28, 1977, 4:30 pm: Rules and Regs. 1978, p. 800; filed Dec 11, 1986, 10:40 am: 10 IR 878; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 1-1-22 Listing agreements; prohibition**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-2-5**

Sec. 22. All listing agreements or any authority to sell shall show a definite date of expiration and shall be in writing, made in duplicate, one copy to go to the owner at the time of signing, and the original to be retained in the office of the principal broker. No listing agreements shall be accepted by a principal broker or by an associated broker or salesperson on the principal broker's behalf which provides for a "net" return to the seller, unless said listing agreement provides for a maximum commission to be paid by the seller to the principal broker.

*(Indiana Real Estate Commission; Rule 23; filed Sep 28, 1977, 4:30 pm: Rules and Regs. 1978, p. 800; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 1-1-23 Written offers to purchase; disposition of money received**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-2-5**

Sec. 23. (a) Any and all written offers to purchase or authorization to purchase shall be communicated to the seller for his or her formal acceptance or rejection immediately upon receipt of the offer, and the offers or authorizations shall be made in quadruplicate, one (1) copy to the prospective purchasers at the time of signing, one (1) copy for the principal broker's files, one (1) copy to the sellers, and one (1) copy to be returned to the purchasers after acceptance or rejection. The listing principal broker shall, on or before the next two (2) banking days after acceptance of the offer to purchase by the seller, do one (1) of the following:

(1) Deposit all money received in connection with a transaction in his or her escrow/trust account.

(2) Delegate the responsibility to the selling principal broker to deposit the money in the selling broker's escrow/trust account.

In any event, the commission shall hold the listing principal broker responsible for the money. In the event the earnest money deposit is other than cash, this fact shall be communicated to the seller before his or her acceptance of the offer to purchase, and the fact shall be shown in the earnest money receipt. All money shall be retained in the escrow/trust account so designated until disbursement thereof is properly authorized. Provided the beneficiary agrees in writing, the listing or selling principal broker holding the earnest money may voluntarily transfer any interest earned on the broker's escrow/trust account to a fund established for the sole purpose of providing affordable housing opportunities in Indiana that meets the requirements of Internal Revenue Service Code 501C3. The listing or selling principal brokers holding any earnest money are not required to make payment to the purchasers or sellers when a real estate transaction is not consummated unless the parties enter into a mutual release of the funds or a court issues an order for payment, except as permitted in subsection (b).

(b) Upon being notified that one (1) or more parties to an offer to purchase intend not to perform, the listing or selling principal broker, holding the earnest money, may release the earnest money deposit as provided in the offer to purchase or, if no provision is made in the offer to purchase, the selling or listing principal, holding the earnest money, may initiate the release process. The release process shall require the selling or listing principal broker to notify all parties at their last known address by certified mail that the earnest money deposit shall be distributed to the parties specified in the letter unless:

(1) all parties enter into a mutual release; or

(2) one (1) or more of the parties initiate litigation;

within sixty (60) days of the mailing date of the certified letter. If neither the buyer nor the seller initiates litigation or enters into a written release within sixty (60) days of the mailing date of the certified letter, the broker may release the earnest money deposit to the party identified in the certified letter.

*(Indiana Real Estate Commission; Rule 24; filed Sep 28, 1977, 4:30 p.m.: Rules and Regs. 1978, p. 800; filed Dec 11, 1986, 10:40 a.m.: 10 IR 878; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; filed Aug 15, 2001, 9:50 a.m.: 25 IR 102; filed Oct 28, 2002, 12:01 p.m.: 26 IR 789; filed Jan 27, 2006, 10:45 a.m.: 29 IR 1931; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 1-1-24 Closing statements**
**Authority: IC 25-34.1-2-5; IC 25-34.1-2-5.1**
**Affected: IC 25-34.1-2-5**

Sec. 24. Every listing and selling principal broker shall deliver to their client in every real estate transaction wherein he or she acts as real estate broker, at the time such transaction is consummated, a complete detailed closing statement showing all of the receipts and disbursements handled by such principal broker. The listing and selling principal broker shall retain true copies of such statements in his or her files for at least five (5) years. The listing and selling principal broker or his or her licensed associate acting on his or her behalf, shall attend all closings.

*(Indiana Real Estate Commission; Rule 25; filed Sep 28, 1977, 4:30 p.m.: Rules and Regs. 1978, p. 801; filed Jan 16, 1979, 11:55 a.m.: 2 IR 315; filed Dec 11, 1986, 10:40 a.m.: 10 IR 878; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; filed Aug 15, 2001, 9:50 a.m.: 25 IR 102; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 1-1-25 Investigation of escrow or trust accounts**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-2-5**

Sec. 25. A principal broker shall provide a detailed summary of his escrow/trust account upon request by the Indiana Real Estate Commission or the Office of the Attorney General for investigative purposes. A principal broker or firm which holds an active Indiana real

estate license and engages in activities constituting acts as prescribed in the Indiana license laws involving monies being collected in the performance of such activities, shall establish an escrow/trust account with an Indiana financial institution as set forth in the Commission Rules and Regulations and the Real Estate License Laws of the state of Indiana.
*(Indiana Real Estate Commission; Rule 26; filed Sep 28, 1977, 4:30 pm: Rules and Regs. 1978, p. 801; filed Dec 11, 1986, 10:40 am: 10 IR 879; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 1-1-26 Advertising requirements; name of principal broker; prohibitions**
**Authority: IC 25-34.1-2-5; IC 25-34.1-2-5.1**
**Affected: IC 25-34.1-3-3.1; IC 25-34.1-3-4.1**
Sec. 26. Any display, classified advertising, signs, Internet advertising, or business cards, which carries *[sic., carry]* a licensee's name must contain the name of the principal broker or firm with whom the licensee is associated, and, except for business cards, said principal broker or firm's name must be in letters larger than those used in advertising the licensee's name. All advertising shall be under the direct supervision and in the name of the principal broker or firm; a salesperson's name may not be a part of the firm name. Any advertising by a principal broker must reveal the surname of said broker as it appears on the broker's license issued by the commission. Any television or radio advertising that carries the name of any licensee associated with a principal broker must carry the name of the principal broker or firm, as licensed by the commission. A licensee shall not advertise in a manner indicating that the property is being offered by a private party not engaged in the real estate business and shall use no advertising where only a post office box number, telephone number, or street address appears. No licensee shall place a sign on any property, advertise or offer any property for sale, lease, or rent without the written consent of the seller or the seller's authorized agent.
*(Indiana Real Estate Commission; Rule 27; filed Sep 28, 1977, 4:30 p.m.: Rules and Regs. 1978, p. 801; filed Mar 13, 1980, 2:30 p.m.: 3 IR 648; filed Dec 11, 1986, 10:40 a.m.: 10 IR 879; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; filed Aug 15, 2001, 9:50 a.m.: 25 IR 102; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 1-1-27 Operation of business under different name *(Repealed)***
Sec. 27. *(Repealed by Indiana Real Estate Commission; filed Mar 13, 1980, 2:50 pm: 3 IR 649)*

**876 IAC 1-1-28 Death of broker; effect *(Repealed)***
Sec. 28. *(Repealed by Indiana Real Estate Commission; filed Mar 13, 1980, 2:50 pm: 3 IR 649)*

**876 IAC 1-1-29 Duplicate licenses**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1**
Sec. 29. A duplicate real estate license may be issued to any active licensee only after a sworn affidavit has been submitted to the Commission attesting that the original real estate license was either mutilated, lost, or destroyed.
*(Indiana Real Estate Commission; Rule 30; filed Sep 28, 1977, 4:30 pm: Rules and Regs. 1978, p. 802; filed Mar 13, 1980, 2:45 pm: 3 IR 649; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 1-1-30 Change of address; failure to notify commission; effect *(Repealed)***
Sec. 30. *(Repealed by Indiana Real Estate Commission; filed Mar 13, 1980, 2:50 pm: 3 IR 649)*

**876 IAC 1-1-30.1 Residential address of licensees**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-3-4.1; IC 25-34.1-3-6**
Sec. 30.1. In addition to complying with IC 25-34.1-3-6, each licensee shall immediately notify the commission of any change in the licensee's residential address.
*(Indiana Real Estate Commission; 876 IAC 1-1-30.1; filed May 27, 2003, 11:00 a.m.: 26 IR 3342; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 1-1-31 Complaints *(Repealed)***
Sec. 31. *(Repealed by Indiana Real Estate Commission; filed Apr 12, 1983, 10:55 am: 6 IR 1091)*

**876 IAC 1-1-32 Administrative Adjudication Act followed in handling complaints *(Repealed)***
Sec. 32. *(Repealed by Indiana Real Estate Commission; filed Mar 13, 1980, 2:50 pm: 3 IR 649)*

**876 IAC 1-1-33 Conviction of crime; effect; denial of license**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-2-5**
Sec. 33. Upon conviction of a licensee in any court of competent jurisdiction of any crime involving dishonesty or false statement, obtaining money under false pretenses, conspiracy to defraud, or any other like offense in this state or any other state, the Real Estate Commission, after notice and hearing, shall determine if the acts from which such conviction resulted have a direct bearing on whether the licensee should be entrusted to serve the public in the capacity of a real estate broker or salesperson. Any application for licensing as a broker or salesperson, however, shall not be denied solely on the basis of such conviction.
*(Indiana Real Estate Commission; Rule 34; filed Sep 28, 1977, 4:30 pm: Rules and Regs. 1978, p. 802; filed Dec 11, 1986, 10:40 am: 10 IR 879; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 1-1-34 Licensing of nonresidents; association with Indiana broker *(Repealed)***
Sec. 34. *(Repealed by Indiana Real Estate Commission; filed Mar 13, 1980, 2:50 pm: 3 IR 649)*

**876 IAC 1-1-35 Reciprocal agreements *(Repealed)***
Sec. 35. *(Repealed by Indiana Real Estate Commission; filed Mar 13, 1980, 2:50 pm: 3 IR 649)*

**876 IAC 1-1-36 Restriction on licensee acquiring interest in property**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-2-5**
Sec. 36. A licensee shall not directly or indirectly buy, offer to buy, sell, offer to sell, for himself property listed with said licensee or the broker with whom he is associated, nor shall the licensee acquire any interest therein without first making his true position clearly known to the listing owner(s).
*(Indiana Real Estate Commission; Rule 37; filed Sep 28, 1977, 4:30 pm: Rules and Regs. 1978, p. 803; filed Dec 11, 1986, 10:40 am: 10 IR 879; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 1-1-37 Disclosure of interest by licensee**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-2-5**

Sec. 37. A licensee shall not directly or indirectly buy, offer to buy, sell, offer to sell or receive compensation for property in which he owns an interest, unless he shall disclose in writing his interest to all parties to the transaction and the fact that he holds a valid real estate license.
*(Indiana Real Estate Commission; Rule 38; filed Sep 28, 1977, 4:30 pm: Rules and Regs. 1978, p. 803; filed Dec 11, 1986, 10:40 am: 10 IR 879; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 1-1-38 Prohibition where exclusive contract exists *(Repealed)***

Sec. 38. *(Repealed by Indiana Real Estate Commission; filed Dec 11, 1986, 10:40 am: 10 IR 881)*

**876 IAC 1-1-39 Referral service participation; written agreement**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-3-4.1**

Sec. 39. A principal broker may participate in a referral service, or a franchise which provides a referral service, provided said participating broker possesses a written agreement with his client. Said broker shall also have a written agreement with the cooperating broker(s) as to the fees to be paid.
*(Indiana Real Estate Commission; Rule 40; filed Sep 28, 1977, 4:30 pm: Rules and Regs. 1978, p. 803; filed Dec 11, 1986, 10:40 am: 10 IR 880; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 1-1-40 Incompetent practice**
**Authority: IC 25-34.1-2-5**
**Affected: IC 22-9; IC 25-34.1**

Sec. 40. Incompetent practice of real estate includes the following:
(1) Failing to account for and remit any funds or documents belonging to others that come into the licensee's possession.
(2) Accepting or offering any inducement or rebate for the purpose of obtaining a listing or inducing a sale, where full disclosure in writing has not been given to all parties to the transaction at the time of the offer or acceptance.
(3) Receiving, accepting, or giving an undisclosed direct profit on expenditures made in conjunction with a real estate transaction.
(4) Acting in dual capacity of licensee and undisclosed client in any transaction.
(5) Guaranteeing, authorizing, or permitting any person to guarantee future profits that may result from the resale of real property.
(6) Listing or offering real property for sale, exchange, option, rent, or lease without the written consent of, or on any terms other than those authorized by, the owner or the owner's authorized agent.
(7) Inducing any party to a listing contract or a contract of sale to breach such contract for the purpose of substituting a new contract with another person.
(8) Accepting employment or compensation that is contingent upon the issuance of an appraisal report on real estate at a predetermined value.
(9) Issuing an appraisal report on real property in which the licensee fails to disclose his interest in that property in writing to all parties.
(10) Soliciting and/or negotiating a listing contract, a sale, exchange, or lease of real property directly with an owner or lessor if the licensee knows that the owner has a written contract in connection with the property that guarantees an exclusive agency to another licensee unless the owner initiates the action in writing prior to expiration of the listing.
(11) As a licensee representing, or attempting to represent, a principal broker other than the principal broker with whom the licensee is associated.
(12) Paying a commission to or otherwise compensating a person who is not licensed for performing the services that, by law, require a license.
(13) Requesting a license by a principal broker if that principal broker does not intend to be associated with that licensee.
(14) Committing any act of fraud or misrepresentation while engaged in acts that, by law, require a license.
(15) Otherwise violating IC 25-34.1 or this title.
(16) Having been convicted of a felony or misdemeanor if the acts on which that conviction are based have a direct bearing on whether or not the person should be entrusted to serve the public as a licensee.
(17) Having been finally determined to have engaged in an unlawful discriminatory practice under the Indiana Civil Rights Act, IC 22-9.
(18) A broker, knowingly allowing any of its employees or representatives to utilize the premises of a real estate school for recruiting purposes in violation of 876 IAC 2-5-1.
*(Indiana Real Estate Commission; Rule 40; filed Dec 13, 1982, 9:00 a.m.: 6 IR 122; filed Mar 15, 1984, 3:00 p.m.: 7 IR 1252; filed Dec 11, 1986, 10:40 a.m.: 10 IR 880; filed Dec 9, 1988, 1:25 p.m.: 12 IR 926, eff Jan 8, 1989; errata filed Dec 21, 1988, 3:45 p.m.: 12 IR 1209; errata filed May 15, 1989, 2:20 p.m.: 12 IR 1907; filed Jun 14, 1995, 11:00 a.m.: 18 IR 2786; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 1-1-41 Participation of licensees with securities brokers; sale of securities involving real estate**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-3-2**

Sec. 41. Notwithstanding any rule contained within this Title 876 to the contrary, a broker may participate or associate with a person registered to act as a broker-dealer, agent or investment advisor under the Indiana and federal securities laws in the sale of, or offer to sell, real estate where such real estate is a necessary element of a “security”, as that term is defined by the Securities Act of 1933 and the Securities Exchange Act of 1934. Any fee for services received by a registered securities broker-dealer, agent or investment advisor in connection with the above-described activities shall not be construed to constitute the receipt or payment of a commission from a broker in contravention of 876 IAC 1-1-40(12).
*(Indiana Real Estate Commission; 876 IAC 1-1-41; filed Mar 5, 1985, 8:23 am: 8 IR 805; filed Dec 11, 1986, 10:40 am: 10 IR 881; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 1-1-42 Unlicensed assistants; functions; responsibility of licensee**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-3-2**

Sec. 42. Licensees may not allow an unlicensed assistant to perform any act that would require licensure under IC 25-34.1-3-2, including the following functions:
(1) Prepare promotional materials or advertisements without the review and approval of the supervising licensee.
(2) Show real property.
(3) Answer questions about listings other than those concerning list price, address, or geographic directions.
(4) Discuss or explain a contract, listing, lease, agreement, or other real estate document with any broker or salesperson outside the licensee's firm or with any potential client or customer.
(5) Conduct open houses.

(6) Conduct telemarketing or telephone canvassing to schedule appointments in order to seek listings.

(7) Negotiate or agree to any commission, commission split, management fee, or referral fee on behalf of a licensee.

*(Indiana Real Estate Commission; 876 IAC 1-1-42; filed Jun 14, 1995, 11:00 a.m.: 18 IR 2783; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 1-1-43 Fee appraisals conducted by licensed brokers**

**Authority: IC 25-34.1-2-5.1**

**Affected: IC 25-34.1**

Sec. 43. Any broker who appraises real estate in Indiana must comply with the Uniform Standards of Professional Appraisal Practice as adopted in 876 IAC 3-6-2 and 876 IAC 3-6-3.

*(Indiana Real Estate Commission; 876 IAC 1-1-43; filed Dec 24, 1997, 11:00 a.m.: 21 IR 1757, eff Jan 1, 1999; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**Rule 2. Out-of-State Developments *(Repealed)***

*(Repealed by Indiana Real Estate Commission; filed Mar 13, 1980, 2:50 pm: 3 IR 649)*

**Rule 3. Condominiums and Time Sharing Plans *(Repealed)***

*(Repealed by Indiana Real Estate Commission; filed Mar 13, 1980, 2:50 pm: 3 IR 649)*

**Rule 4. Residential Real Estate Sales Disclosure**

**876 IAC 1-4-1 Residential real estate sales disclosure**

**Authority: IC 32-21-5-7**

**Affected: IC 32-21-5-7**

Sec. 1. (a) This rule establishes the seller's residential real estate sales disclosure form provided for in IC 32-21-5-7.

(b) The form appears in section 2 of this rule.

*(Indiana Real Estate Commission; 876 IAC 1-4-1; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2352; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; filed Aug 6, 2003, 12:00 p.m.: 27 IR 186; readopted filed Dec 1, 2009, 9:14 a.m.: 20091223-IR-876090785RFA)*

**876 IAC 1-4-2 Residential sales disclosure; form**

**Authority: IC 32-21-5-7**

**Affected: IC 32-21-5**

Sec. 2. The following is the seller's residential real estate sales disclosure form:

*(on next page)*

# SELLER'S RESIDENTIAL REAL ESTATE SALES DISCLOSURE

State Form 46234 (R/1293)

| Date (*month, day, year*) |
|---|
| |

Seller states that the information contained in this Disclosure is correct to the best of Seller's CURRENT ACTUAL KNOWLEDGE as of the above date. The prospective buyer and the owner may wish to obtain professional advice or inspections of the property and provide for appropriate provisions in a contract between them concerning any advice, inspections, defects, or warranties obtained on the property. The representations in this form are the representations of the owner and are not the representations of the agent, if any. This information is for disclosure only and is not intended to be a part of any contract between the buyer and the owner. Indiana law (IC 32-21-5) generally requires sellers of 1–4 unit residential property to complete this form regarding the known physical condition of the property. An owner must complete and sign the disclosure form and submit the form to a prospective buyer before an offer is accepted for the sale of the real estate.

Property address (*number and street, city, state, ZIP code*)

1. The following are in the conditions indicated:

| A. APPLIANCES | None/Not Included | Defective | Not Defective | Do Not Know |
|---|---|---|---|---|
| Built-in Vacuum System | | | | |
| Clothes Dryer | | | | |
| Clothes Washer | | | | |
| Dishwasher | | | | |
| Disposal | | | | |
| Freezer | | | | |
| Gas Grill | | | | |
| Hood | | | | |
| Microwave Oven | | | | |
| Oven | | | | |
| Range | | | | |
| Refrigerator | | | | |
| Room Air Conditioner(s) | | | | |
| Trash Compactor | | | | |
| TV Antenna/Dish | | | | |
| Other: | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

| C. WATER & SEWER SYSTEM | None/Not Included | Defective | Not Defective | Do Not Know |
|---|---|---|---|---|
| Cistern | | | | |
| Septic Field/Bed | | | | |
| Hot Tub | | | | |
| Plumbing | | | | |
| Aerator System | | | | |
| Sump Pump | | | | |
| Irrigation Systems | | | | |
| Water Heater/Electric | | | | |
| Water Heater/Gas | | | | |
| Water Heater/Solar | | | | |
| Water Purifier | | | | |
| Water Softener | | | | |
| Well | | | | |
| Septic and Holding Tank/Septic Mound | | | | |
| Geothermal and Heat Pump | | | | |
| Other Sewer System (Explain) | | | | |

| | Yes | No | Do Not Know |
|---|---|---|---|
| Are the improvements connected to a public water system? | | | |
| Are the improvements connected to a public sewer system? | | | |
| Are there any additions that may require improvements to the sewage disposal system? | | | |
| If yes, have the improvements been completed on the sewage disposal system? | | | |
| Are the improvements connected to a private/community water system? | | | |
| Are the improvements connected to a private/community sewer system? | | | |

| B. ELECTRICAL SYSTEM | None/Not Included | Defective | Not Defective | Do Not Know |
|---|---|---|---|---|
| Air Purifier | | | | |
| Burglar Alarm | | | | |
| Ceiling Fan(s) | | | | |
| Garage Door Opener Controls | | | | |
| Inside Telephone Wiring and Blocks/Jacks | | | | |
| Intercom | | | | |
| Light Fixtures | | | | |
| Sauna | | | | |
| Smoke/Fire Alarm(s) | | | | |
| Switches and Outlets | | | | |
| Vent Fan(s) | | | | |
| 60/100/200 Amp Service (Circle one) | | | | |
| | | | | |

| D. HEATING & COOLING SYSTEM | None/Not Included | Defective | Not Defective | Do Not Know |
|---|---|---|---|---|
| Attic Fan | | | | |
| Central Air Conditioning | | | | |
| Hot Water Heat | | | | |
| Furnace Heat/Gas | | | | |
| Furnace Heat/Electric | | | | |
| Solar House-Heating | | | | |
| Woodburning Stove | | | | |
| Fireplace | | | | |
| Fireplace Insert | | | | |
| Air Cleaner | | | | |
| Humidifier | | | | |
| Propane Tank | | | | |
| Other Heating Source | | | | |
| | | | | |
| | | | | |

NOTE: "Defect" means a condition that would have a significant adverse effect on the value of the property that would significantly impair the health or safety of future occupants of the property or that, if not repaired, removed, or replaced, would significantly shorten or adversely affect the expected normal life of the premises.

The information contained in this Disclosure has been furnished by the Seller, who certifies to the truth thereof, based on the Seller's CURRENT ACTUAL KNOWLEDGE. A disclosure form is not a warranty by the owner or the owner's agent, if any, and the disclosure form may not be used as a substitute for any inspections or warranties that the prospective buyer or owner may later obtain. At or before settlement, the owner is required to disclose any material change in the physical condition of the property or certify to the purchaser at settlement that the condition of the property is substantially the same as it was when the disclosure form was provided. Seller and Purchaser hereby acknowledge receipt of this Disclosure by signing below:

| Signature of Seller: | Date: | Signature of Buyer: | Date: |
|---|---|---|---|
| Signature of Seller: | Date: | Signature of Buyer: | Date: |

The Seller hereby certifies that the condition of the property is substantially the same as it was when the Seller's Disclosure form was originally provided to the Buyer.

| Signature of Seller: | Date: | Signature of Buyer: | Date: |
|---|---|---|---|

Property Address (*number and street, city, state, ZIP code*)

| 2. ROOF | YES | NO | DO NOT KNOW |
|---|---|---|---|
| Age, if known: _____ Years | | | |
| Does the roof leak? | | | |
| Is there present damage to the roof? | | | |
| Is there more than one roof on the house?<br>If so, how many layers? _____ | | | |

| 3. HAZARDOUS CONDITIONS | YES | NO | DO NOT KNOW |
|---|---|---|---|
| Have there been or are there any hazardous conditions on the property, such as methane gas, lead paint, radon gas in house or well, radioactive material, landfill, mineshaft, expansive soil, toxic materials, mold, other biological contaminants, asbestos insulation, or PCB's?<br>Explain: | | | |

| 4. OTHER DISCLOSURES | YES | NO | DO NOT KNOW |
|---|---|---|---|
| Do improvements have aluminum wiring? | | | |
| Are there any foundation problems with the improvements? | | | |
| Are there any encroachments? | | | |
| Are there any violations of zoning, building codes, or restrictive covenants? | | | |
| Is the present use a nonconforming use? Explain: | | | |
| Is the access to your property via a private road? | | | |
| Is the access to your property via a public road? | | | |
| Is access to your property via an easement? | | | |
| Have you received any notices by any governmental or quasi-governmental agencies affecting this property?<br>Are there any structural problems with the building? | | | |
| Have any substantial additions or alterations been made without a required building permit? | | | |
| Are there moisture and/or water problems in the basement, crawl space area, or any other area? | | | |
| Is there any damage due to wind, flood, termites, or rodents? | | | |
| Have any improvements been treated for wood destroying insects? | | | |
| Are the furnace/woodstove/chimney/flue all in working order? | | | |
| Is the property in a flood plain? | | | |
| Do you currently pay flood insurance? | | | |
| Does the property contain underground storage tank(s)? | | | |
| Is the homeowner a licensed real estate salesperson or broker? | | | |
| Is there any threatened or existing litigation regarding the property? | | | |
| Is the property subject to covenants, conditions, and/or restrictions of a homeowner's association? | | | |
| Is the property located within one (1) mile of an airport? | | | |

E. ADDITIONAL COMMENTS AND/OR EXPLANATIONS: (Use additional pages if necessary).

The information contained in this Disclosure has been furnished by the Seller, who certifies to the truth thereof, based on the Seller's CURRENT ACTUAL KNOWLEDGE. A disclosure form is not a warranty by the owner or the owner's agent, if any, and the disclosure form may not be used as a substitute for any inspections or warranties that the prospective buyer or owner may later obtain. At or before settlement, the owner is required to disclose any material change in the physical condition of the property or certify to the purchaser at settlement that the condition of the property is substantially the same as it was when the disclosure form was provided. Seller and Purchaser hereby acknowledge receipt of this Disclosure by signing below:

| | | | |
|---|---|---|---|
| Signature of Seller: | Date: | Signature of Buyer: | Date: |
| Signature of Seller: | Date: | Signature of Buyer: | Date: |

The seller hereby certifies that the condition of the property is substantially the same as it was when the Seller's Disclosure form was originally provided to the Buyer.

| | | | |
|---|---|---|---|
| Signature of Seller: | Date: | Signature of Seller: | Date: |

*(Indiana Real Estate Commission; 876 IAC 1-4-2; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2352; filed Jun 14, 1995, 11:00 a.m.: 18 IR 2787; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; filed Oct 28, 2002, 12:01 p.m.: 26 IR 789; filed Aug 6, 2003, 12:00 p.m.: 27 IR 186, eff Jan 1, 2004; filed Jan 27, 2006, 10:30 a.m.: 29 IR 1932, eff Jan 1, 2006 [IC 4-22-2-36 suspends the effectiveness of a rule document for 30 days after filing with the Secretary of State. LSA Document #05-101(F) was filed Jan 27, 2006.])*

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## ARTICLE 2. REAL ESTATE COURSES AND LICENSING REQUIREMENTS FOR BROKERS AND SALESPERSONS

### Rule 1. Definitions; General Provisions

**876 IAC 2-1-1 Scope**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 1. (a) This article establishes requirements for the education and examination of applicants for licensure as salespersons and brokers and establishes requirements for salesperson and broker courses pursuant to IC 25-34.1-5.

(b) The definitions in this rule apply throughout this article.

*(Indiana Real Estate Commission; 876 IAC 2-1-1; filed Dec 9, 1988, 1:25 p.m.: 12 IR 927, eff Jan 8, 1989; errata filed Dec 21, 1988, 3:45 p.m.: 12 IR 1209; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-1-2 "Course session" defined**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 2. "Course session" means a particular broker course or salesperson course conducted by a real estate school.

*(Indiana Real Estate Commission; 876 IAC 2-1-2; filed Dec 9, 1988, 1:25 p.m.: 12 IR 927, eff Jan 8, 1989; errata filed Dec 21, 1988, 3:45 p.m.: 12 IR 1209; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-1-3 "Real estate school" defined**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 3. "Real estate school" means any person that has, or is seeking to have, broker course or salesperson course approval from the commission pursuant to IC 25-34.1-5 and this article.

*(Indiana Real Estate Commission; 876 IAC 2-1-3; filed Dec 9, 1988, 1:25 p.m.: 12 IR 927, eff Jan 8, 1989; errata filed Dec 21, 1988, 3:45 p.m.: 12 IR 1209; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-1-4 "School" defined**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 4. "School" means real estate school.

*(Indiana Real Estate Commission; 876 IAC 2-1-4; filed Dec 9, 1988, 1:25 p.m.: 12 IR 927, eff Jan 8, 1989; errata filed Dec 21, 1988, 3:45 p.m.: 12 IR 1209; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-1-5 "School director" defined**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 5. "School director" means the individual responsible for real estate school administrative matters such as program development, scheduling of classes, advertising, maintaining facilities and equipment, recordkeeping, and general supervision of the instructional program.

*(Indiana Real Estate Commission; 876 IAC 2-1-5; filed Dec 9, 1988, 1:25 p.m.: 12 IR 927, eff Jan 8, 1989; errata filed Dec 21, 1988, 3:45 p.m.: 12 IR 1209; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-1-6 Violations of statute and rules**
**Authority: IC 25-34.1-2-5**
**Affected: IC 4-21.5-3; IC 4-21.5-4; IC 25-34.1-5**

Sec. 6. (a) Failure of a real estate school to comply with the provisions of IC 25-34.1-5 and this article, shall subject it to denial of course approval or revocation or suspension of course approval as appropriate.

(b) If a real estate school fails to meet the requirements for course approval renewal established in IC 25-34.1-5-7 and 876 IAC 2-2-9, the renewal shall be denied.

(c) Under subsections (a) through (b), real estate schools shall be responsible for the actions of their employees and other agents.

(d) Notices of denials of course approval or renewals and administrative review of such denials are governed by IC 4-21.5-3-4 and IC 4-21.5-3-7.

(e) Institution of proceedings to revoke or suspend course approval is governed by IC 4-21.5-3-8. Emergency suspensions may be issued, where appropriate, under IC 4-21.5-4.

*(Indiana Real Estate Commission; 876 IAC 2-1-6; filed Dec 9, 1988, 1:25 p.m.: 12 IR 927, eff Jan 8, 1989; errata filed Dec 21, 1988, 3:45 p.m.: 12 IR 1209; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-1-7 Revocation, suspension, or denial of renewal of course approval; completion of courses**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 7. In the event it suspends, revokes, or denies renewal of course approval, the commission may, at its discretion, allow any course already in progress to be completed.

*(Indiana Real Estate Commission; 876 IAC 2-1-7; filed Dec 9, 1988, 1:25 p.m.: 12 IR 928, eff Jan 8, 1989; errata filed Dec 21, 1988, 3:45 p.m.: 12 IR 1209; filed Jul 25, 1991, 3:30 p.m.: 14 IR 2255; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-1-7.5 Payments of bond proceeds**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 7.5. (a) If the commission does not allow completion of a course under section 7 of this rule or if a course cannot be completed by the school for any other reason, each student enrolled in the course, who has a valid legal cause of action against the school, would be entitled to reimbursement for the enrollment fee and the cost of any required text or material if not included in the enrollment fee (provided the student presents proof of payment in connection with the uncompleted course) from the school's bond proceeds if said money cannot be recovered from the school.

(b) Because the commission is obligee under the bonds of schools, payments from the proceeds of the bond shall be distributed to qualifying students by direction of the commission.

*(Indiana Real Estate Commission; 876 IAC 2-1-7.5; filed Jul 25, 1991, 3:30 p.m.: 14 IR 2256; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-1-8 Application for course approval; content**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 8. (a) Any real estate school seeking approval of a broker or salesperson course shall make written application for approval and shall submit such documents, statements, and forms as required by IC 25-34.1-5-2 and this article, and as may be reasonably necessary to establish whether the school complies with the requirements of IC 25-34.1-5 and this article.

(b) The application shall state the name and address of the school's owner.

(c) The application shall list all instructors who will be teaching the course and include evidence that they comply with the qualifications established in 876 IAC 2-3.

*(Indiana Real Estate Commission; 876 IAC 2-1-8; filed Dec 9, 1988, 1:25 p.m.: 12 IR 928, eff Jan 8, 1989; errata filed Dec 21, 1988, 3:45 p.m.: 12 IR 1209; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**Rule 2. Real Estate Schools; General Requirements**

**876 IAC 2-2-1 Facilities**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5-4**

Sec. 1. (a) Pursuant to IC 25-34.1-5-4(b), real estate courses shall not be conducted in a facility which is also used as a broker or salesperson office. As used in this subsection *[section]*, "facility" shall mean any space which is used by a real estate broker or salesperson in the broker or salesperson's day to day operation.

(b) Real estate schools shall use classroom facilities and shall be conducive to classroom environment.

(c) There shall be at all times adequate space, seating, equipment, and instructional material to accommodate the number of students enrolled.

(d) The premises, equipment, and facilities of the school shall comply with all local, city, county, and state regulations, such as fire, building, and sanitation codes.

(e) Real estate schools shall prohibit the serving or obtaining of alcoholic beverages in the classroom and any other area that the student would have access to during the time class is in session, including breaks, such as the restroom and hallways.

(f) Subsection (e) shall not be interpreted to prohibit the use of facilities (such as hotels, motels, and convention centers) where alcoholic beverages are sold in separate rooms.

*(Indiana Real Estate Commission; 876 IAC 2-2-1; filed Dec 9, 1988, 1:25 p.m.: 12 IR 928, eff Jan 8, 1989; errata filed Dec 21, 1988, 3:45 p.m.: 12 IR 1209; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-2-2 Course location and times; notice to commission**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5-8**

Sec. 2. A list of course locations (which have been approved by the commission under IC 25-34.1-5-8 and section 12 of this rule) and meeting times must be submitted to the commission prior to commencement of each course session.

*(Indiana Real Estate Commission; 876 IAC 2-2-2; filed Dec 9, 1988, 1:25 p.m.: 12 IR 928, eff Jan 8, 1989; errata filed Dec 21, 1988, 3:45 p.m.: 12 IR 1209; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824 ; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-2-3 Bonding**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 3. If a real estate school offers both a broker course and a salesperson course, it shall submit a bond meeting the requirements of IC 25-34.1-5, for each course.

*(Indiana Real Estate Commission; 876 IAC 2-2-3; filed Dec 9, 1988, 1:25 p.m.: 12 IR 929, eff Jan 8, 1989; errata filed Dec 21, 1988, 3:45 p.m.: 12 IR 1209; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-2-4 School directors**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 4. (a) Each school shall designate one (1) individual as its school director.

(b) A real estate school is prohibited from hiring, or retaining in its employ, a school director who:

(1) has had his or her real estate license revoked or suspended by any jurisdiction;
(2) has obtained or used, or attempted to obtain or use, in any manner, Indiana real estate licensing examination questions to be used on future examinations, unless authorized by law;
(3) has been convicted of a crime which has a direct bearing on the individual's ability to competently be a school director including, but not necessarily limited to, violations of real estate laws and abuse of fiduciary responsibilities;
(4) has falsely certified hours of attendance or grades for any student;
(5) has violated 876 IAC 2-5-1 concerning recruiting during the educational process; or
(6) unless authorized by law, has refused to appear and/or testify under oath at any hearing held by the commission.

(c) The school director must satisfy one (1) of the following qualification standards:

(1) Hold a bachelor's degree in education, real estate, or business.
(2) Have at least two (2) years experience within the past ten (10) years as an instructor or school administrator.

(d) School directors employed before January 1, 1989, are exempt from the requirements of subsection (c).

*(Indiana Real Estate Commission; 876 IAC 2-2-4; filed Dec 9, 1988, 1:25 p.m.: 12 IR 929, eff Jan 8, 1989; errata filed Dec 21, 1988, 3:45 p.m.: 12 IR 1209; errata filed May 15, 1989, 2:20 p.m.: 12 IR 1907; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-2-5 Course approval; school directors**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 5. (a) The school director shall be identified in an application for course approval.

(b) The school director for a school which has applied for course approval shall be required to meet with the commission or its designee prior to approval of the course.

*(Indiana Real Estate Commission; 876 IAC 2-2-5; filed Dec 9, 1988, 1:25 p.m.: 12 IR 929, eff Jan 8, 1989; errata filed Dec 21, 1988, 3:45 p.m.: 12 IR 1209; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-2-6 Unavailability of school director**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5-8**
Sec. 6. If a school director:
(1) dies;
(2) becomes incapacitated; or
(3) leaves the employ of the school;
all course sessions then in session may be completed. However, further course sessions may not be commenced until there is a new school director (who has been approved by the commission under IC 25-34.1-5-8 and section 12 of this rule).
*(Indiana Real Estate Commission; 876 IAC 2-2-6; filed Dec 9, 1988, 1:25 p.m.: 12 IR 929, eff Jan 8, 1989; errata filed Dec 21, 1988, 3:45 p.m.: 12 IR 1209; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-2-7 Student fees; cancellation of course sessions**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**
Sec. 7. (a) Students shall not be charged any fees beyond the course fee. An approved course shall not charge a fee to students for seminars or other courses offered in preparation for the state licensing examination. This applies to students who are currently enrolled in a course or have completed a course within the past thirty (30) days.
(b) The cost of textbooks, supplemental texts, and required materials shall be included in the course fee. However, colleges or universities of learning (institutions offering two (2) or four (4) year courses of study culminating in the issuance of an associate's or bachelor's degree) offering the salesperson or broker course for undergraduate or graduate credit may follow their normal institutional procedures and charge separately for tuition and books and required materials. Disclosure of the full cost of the course (including tuition and books and required materials) must be made to the student before enrollment.
(c) Each approved course shall establish a refund policy which is included in all printed material related to the offering of the course. The refund policy shall be available for review and acceptance by the student at the time of enrollment.
(d) If a course session is cancelled, the school must notify all individuals who have enrolled in it at least three (3) days in advance of the first scheduled class.
*(Indiana Real Estate Commission; 876 IAC 2-2-7; filed Dec 9, 1988, 1:25 p.m.: 12 IR 929, eff Jan 8, 1989; errata filed Dec 21, 1988, 3:45 p.m.: 12 IR 1209; filed Jul 25, 1991, 3:30 p.m.: 14 IR 2256; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-2-8 Course records**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5-4**
Sec. 8. As specified in IC 25-34.1-5-4(a)(7), each school offering approved courses must maintain records of students who successfully complete and pass the course of study for a minimum of five (5) years. The records must include attendance records, examination score records, and duplicate copies of completion certificates or the ability to reproduce duplicate completion certificates.
*(Indiana Real Estate Commission; 876 IAC 2-2-8; filed Dec 9, 1988, 1:25 p.m.: 12 IR 930, eff Jan 8, 1989; errata filed Dec 21, 1988, 3:45 p.m.: 12 IR 1209; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-2-9 Course renewal**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**
Sec. 9. The approval of courses expires on December 31 of each calendar year. To obtain renewal of course approval, the school must submit to the commission by November 30 of the current year:
(1) a letter requesting renewal;
(2) a bond that is in the amount of twenty percent (20%) of the preceding year's gross tuition but not less than ten thousand dollars ($10,000) or more than fifty thousand dollars ($50,000); and
(3) an annual report.
*(Indiana Real Estate Commission; 876 IAC 2-2-9; filed Dec 9, 1988, 1:25 p.m.: 12 IR 930, eff Jan 8, 1989; errata filed Dec 21, 1988, 3:45 p.m.: 12 IR 1209; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-2-10 Annual report**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**
Sec. 10. (a) The annual report shall include the following:
(1) A notarized report attesting to income received from course tuitions submitted on a form provided by the commission which must be signed by the school director.
(2) A written list of the current textbooks and other resource and study materials utilized in the course.
(3) A list of all approved course locations.
(4) A list of all instructors teaching the course and a certification that the instructors meet the qualifications established in 876 IAC 2-3.
(b) As part of its annual report to the commission, a school may be required to provide specific information, answer questions, and/or appear before the commission or its designee for the purpose of determining compliance with IC 25-34.1-5 and this article.
*(Indiana Real Estate Commission; 876 IAC 2-2-10; filed Dec 9, 1988, 1:25 p.m.: 12 IR 930, eff Jan 8, 1989; errata filed Dec 21, 1988, 3:45 p.m.: 12 IR 1209; filed Dec 1, 1989, 5:00 p.m.: 13 IR 635; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-2-11 Review and investigation of real estate schools**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**
Sec. 11. (a) In addition to its review and/or investigation of a school for annual renewal of its course(s) approval, the commission or its designee may, at any time, review and/or investigate any matter concerning an approved course, or applicant for course approval to determine compliance with IC 25-34.1-5 and this article.
(b) The method of review shall be determined by the commission in each case and will generally consist of the following:
(1) Consideration of information available from federal, state, and/or local agencies, private organizations or agencies, or interested persons.
(2) Conferences with the school director and other representatives of the school involved, or with former students of the school.
(c) The commission may require a background check on school personnel, including a criminal history check.
*(Indiana Real Estate Commission; 876 IAC 2-2-11; filed Dec 9, 1988, 1:25 p.m.: 12 IR 930, eff Jan 8, 1989; errata filed Dec 21, 1988, 3:45 p.m.: 12 IR 1209; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-2-12 Significant changes in courses**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**
Sec. 12. (a) The following shall be deemed significant changes under IC 25-34.1-5-8:
(1) Any change in the ownership of a real estate school including changes in the ownership of the stock of a corporation.

(2) Any change in the location, including classroom location, of an approved real estate course.
(3) A new school director.
(4) Any new instructor.

(b) Significant proposed changes shall be submitted in writing for commission approval and shall include such information which may be necessary to establish whether the proposed change will be in compliance with IC 25-34.1-5 and this article.

*(Indiana Real Estate Commission; 876 IAC 2-2-12; filed Dec 9, 1988, 1:25 p.m.: 12 IR 930, eff Jan 8, 1989; errata filed Dec 21, 1988, 3:45 p.m.: 12 IR 1209; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**Rule 3. Instructors**

**876 IAC 2-3-1 Instructors; compliance with rule required**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 1. (a) All instructors employed by real estate schools must meet the requirements of this rule.

(b) The commission does not license instructors or directly approve them although it does evaluate them in approving courses and significant changes in courses.

(c) In the process of evaluating courses for original approval and significant changes relating to instructors, the commission or its designee may conduct a personal interview with proposed instructors.

*(Indiana Real Estate Commission; 876 IAC 2-3-1; filed Dec 9, 1988, 1:25 p.m.: 12 IR 931, eff Jan 8, 1989; errata filed Dec 21, 1988, 3:45 p.m.: 12 IR 1209; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-3-2 Instructors; examinations**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 2. (a) Each instructor shall be:
(1) a licensed Indiana real estate broker or have passed the real estate broker examination; and
(2) have passed an instructor assessment program examination as specified by the commission with a score of seventy-five percent (75%) or higher.

(b) The real estate school shall keep records establishing that its instructors comply with this section.

*(Indiana Real Estate Commission; 876 IAC 2-3-2; filed Dec 9, 1988, 1:25 p.m.: 12 IR 931, eff Jan 8, 1989; errata filed Dec 21, 1988, 3:45 p.m.: 12 IR 1209; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-3-3 Instructors; qualifications**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 3. (a) Each instructor shall possess at least one (1) of the following minimum requirements:
(1) Has a bachelor's degree with a major or minor in real estate from an accredited college or university.
(2) Has a bachelor's degree from an accredited college or university and has a minimum of two (2) years experience in real estate.
(3) Has an Indiana real estate broker license and has a minimum of five (5) years experience as a real estate broker in real estate practice as defined in 876 IAC 1-1-3(n) and (p).
(4) Has a juris doctor or equivalent from an accredited law school and has a minimum of two (2) years experience in the subject matter to be taught in the course.
(5) Has two (2) years experience as a qualified instructor or professor in the business, finance, or economics department of an accredited college or university.

(b) An individual who:
(1) was an instructor in an approved salesperson or broker course before January 1, 1989; and
(2) does not meet the requirements of subsection (a);

may continue to be an instructor with the same school or another school after December 31, 1989.

*(Indiana Real Estate Commission; 876 IAC 2-3-3; filed Dec 9, 1988, 1:25 p.m.: 12 IR 931, eff Jan 8, 1989; errata filed Dec 21, 1988, 3:45 p.m.: 12 IR 1209; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-3-4 Instructors; prohibitions**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 4. A real estate school is prohibited from hiring, or retaining in its employ, an instructor who:
(1) has had his or her real estate license revoked or suspended by any jurisdiction;
(2) has obtained or used, or attempted to obtain or use, in any manner, Indiana real estate licensing examination questions to be used on future examinations, unless authorized by law;
(3) has been convicted of a crime which has a direct bearing on the individual's ability to competently instruct including, but not necessarily limited to, violations of real estate laws and abuse of fiduciary responsibilities;
(4) has falsely certified hours of attendance or grades for any student;
(5) has violated 876 IAC 2-5-1 concerning recruiting during the educational process; or
(6) unless allowed by law, has refused to appear and/or testify under oath at any hearing held by the commission.

*(Indiana Real Estate Commission; 876 IAC 2-3-4; filed Dec 9, 1988, 1:25 p.m.: 12 IR 931, eff Jan 8, 1989; errata filed Dec 21, 1988, 3:45 p.m.: 12 IR 1209; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**Rule 4. Conduct of Courses**

**876 IAC 2-4-1 Broker and salesperson courses; separate instruction**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 1. Schools offering both approved broker and salesperson courses must teach each course separately from the other. Joint instruction of both courses in any form is not permitted.

*(Indiana Real Estate Commission; 876 IAC 2-4-1; filed Dec 9, 1988, 1:25 p.m.: 12 IR 932, eff Jan 8, 1989; errata filed Dec 21, 1988, 3:45 p.m.: 12 IR 1209; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-4-2 Broker courses; hours of classroom instruction**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 2. (a) A broker course shall consist of at least fifty-four (54) hours of classroom instruction.

(b) Each broker course shall be conducted on at least nine (9) different days with a maximum of six (6) hours of instruction per day.

(c) The examinations required under section 6(b) of this rule may count toward the hours required by subsection (a).

*(Indiana Real Estate Commission; 876 IAC 2-4-2; filed Dec 9, 1988, 1:25 p.m.: 12 IR 932, eff Jan 8, 1989; errata filed Dec 21, 1988, 3:45 p.m.: 12 IR 1209; filed Jul 25, 1991, 3:30 p.m.: 14 IR 2256; readopted filed Jun*

*29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-4-3 Salesperson course; hours of classroom instruction**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 3. (a) A salesperson course shall consist of at least fifty-four (54) hours of classroom instruction.

(b) Each salesperson course shall be conducted on at least nine (9) different days with a maximum of six (6) hours of instruction per day.

(c) The time spent taking the examinations required under section 6(a) of this rule may count toward the hours required by subsection (a).

*(Indiana Real Estate Commission; 876 IAC 2-4-3; filed Dec 9, 1988, 1:25 p.m.: 12 IR 932, eff Jan 8, 1989; errata filed Dec 21, 1988, 3:45 p.m.: 12 IR 1209; filed Jul 25, 1991, 3:30 p.m.: 14 IR 2256; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-4-4 Breaks**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 4. (a) In both broker and salesperson courses, there shall be at least a five (5) minute break after two (2) hours of instruction.

(b) In broker courses, there shall be at least a one (1) hour break after three (3) hours of instruction.

*(Indiana Real Estate Commission; 876 IAC 2-4-4; filed Dec 9, 1988, 1:25 p.m.: 12 IR 932, eff Jan 8, 1989; errata filed Dec 21, 1988, 3:45 p.m.: 12 IR 1209; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-4-5 Attendance**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 5. (a) A student in a broker or salesperson course session who is not in attendance for at least seventy-five percent (75%) of the required hours shall not be permitted to complete the course.

(b) Each instructor shall maintain accurate attendance records and report to the school director when any student has exceeded the maximum number of absences.

(c) A student may not receive attendance credit for attending more than one (1) class meeting of a class other than a class in the course session to which the student is assigned. The one (1) class must cover the same material as the class missed, the make up class must be completed during the regular class session, and must be sponsored by the school in which the student is enrolled.

(d) All attendance shall be in the same course session and may not be cumulative.

*(Indiana Real Estate Commission; 876 IAC 2-4-5; filed Dec 9, 1988, 1:25 p.m.: 12 IR 932, eff Jan 8, 1989; errata filed Dec 21, 1988, 3:45 p.m.: 12 IR 1209; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-4-6 Examinations**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 6. (a) Each salesperson course shall be required to have three (3) written examinations with each examination consisting of one hundred (100) questions. A total of two hundred twenty-five (225) points from the three (3) examinations is required to pass the salesperson course.

(b) Each broker course shall be required to have two (2) written examinations with each examination consisting of one hundred (100) questions. A total of one hundred fifty (150) points from the two (2) examinations is required to pass the broker course.

(c) Dates of all examinations must be announced to the students at least one (1) day in advance, and examinations shall be evenly spaced throughout the course.

(d) All examinations must be administered in the scheduled class session under the supervision of the course instructor. Take home examinations may not be credited toward the required passing score in the course.

(e) The total score to pass a course can be based only on scores earned on the required in-class examinations. Class recitations and quizzes cannot be used to supplement or take the place of examination grades.

(f) Total security shall be provided for all examinations prior to, during, and after administration. Questions may not be distributed to students or discussed in class in advance. Students shall be prohibited from copying an examination after it has been administered.

(g) An examination booklet and all answer sheets shall be retained by the sponsoring school for at least one (1) year. Examinations may be made available to students only for personal review in a supervised situation after the examinations have been graded and scores recorded.

(h) Examinations administered in the broker and salesperson courses shall not be taken from the school premises under any circumstances.

(i) Administration of make up examinations shall be at the discretion of the course instructor. If make up examinations are permitted, and the student is taking the examination prior to other students in the class, the same examination that will be used for the class shall be administered. If the student will be taking a make up examination after other students in the class, a different examination shall be used; however, the examination must cover the same subject content.

(j) Each real estate school shall establish a written policy against cheating in its approved courses.

*(Indiana Real Estate Commission; 876 IAC 2-4-6; filed Dec 9, 1988, 1:25 p.m.: 12 IR 933, eff Jan 8, 1989; errata filed Dec 21, 1988, 3:45 p.m.: 12 IR 1209; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-4-7 Course evaluations**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 7. (a) Schools are required to survey their students at the end of each course session and/or after the students have taken the state licensing examination.

(b) The survey should include information regarding the quality of instruction, appropriateness of materials, and other information which will properly evaluate the course.

(c) Evaluations must be made available for inspection by the commission upon request.

*(Indiana Real Estate Commission; 876 IAC 2-4-7; filed Dec 9, 1988, 1:25 p.m.: 12 IR 933, eff Jan 8, 1989; errata filed Dec 21, 1988, 3:45 p.m.: 12 IR 1209; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**Rule 5. Real Estate Schools; Miscellaneous Prohibitions**

**876 IAC 2-5-1 Recruiting; prohibitions**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 1. (a) No licensee, or representative of a licensee, partnership, or corporation, and no school or representative of a school, or instructor shall engage in recruiting within the classroom and any other area that the student would have access to during the time class is in session, including breaks, such as the restroom and hallway. Recruiting is defined as any solicitation of a licensee or prospective licensee for employment or association by any licensed individual, partnership, or corporation, or the promotion of such an entity to induce employment or association.

(b) The distribution of any material or the wearing of any apparel which would identify a broker constitutes a violation of subsection (a).

(c) Responding to an inquiry from a student does not constitute a violation of subsection (a).

(d) If any individual violates subsection (a), schools and instructors shall be required to order violators to stop recruiting and report the activity to the commission for possible action against the violator.

*(Indiana Real Estate Commission; 876 IAC 2-5-1; filed Dec 9, 1988, 1:25 p.m.: 12 IR 933, eff Jan 8, 1989; errata filed Dec 21, 1988, 3:45 p.m.: 12 IR 1209; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-5-2 Requirements concerning recruiting**

**Authority: IC 25-34.1-2-5**

**Affected: IC 25-34.1-5**

Sec. 2. (a) The school shall distribute the following statement in writing, to each student at the beginning session of the course:

"No recruiting for employment or association opportunities for any real estate broker is allowed in this class. You may report any effort to recruit to (name of school director) at (telephone number and/or office address) or the Indiana real estate commission at (317) 232-2980".

(b) Before beginning any duties on behalf of the school, all employees, including instructors, shall be required to sign a nonrecruiting agreement, on a form obtained from the commission, agreeing not to violate section 1 of this rule. The nonrecruitment agreement shall be retained by the school, and available to the commission upon request.

*(Indiana Real Estate Commission; 876 IAC 2-5-2; filed Dec 9, 1988, 1:25 p.m.: 12 IR 934, eff Jan 8, 1989; errata filed Dec 21, 1988, 3:45 p.m.: 12 IR 1209; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-5-3 Student lists**

**Authority: IC 25-34.1-2-5**

**Affected: IC 25-34.1-5**

Sec. 3. Unless required by law, no school may provide any name or list of names of any potential licensee(s) or student(s) whether potential or enrolled in any real estate school to anyone other than the commission, without the individual's written consent.

*(Indiana Real Estate Commission; 876 IAC 2-5-3; filed Dec 9, 1988, 1:25 p.m.: 12 IR 934, eff Jan 8, 1989; errata filed Dec 21, 1988, 3:45 p.m.: 12 IR 1209; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-5-4 Advertising**

**Authority: IC 25-34.1-2-5**

**Affected: IC 25-34.1-5**

Sec. 4. (a) No school conducting an approved course of study shall advertise or make any reference in its advertising, promotional material, brochures, and/or registration forms that it is endorsed, recommended, or accredited by, or affiliated with, the commission or any other person, organization, university, or college.

(b) A school may indicate that a course of study has been approved by the commission, but may not indicate that any review course or supplemental course of instruction has the approval of the commission or any other person, organization, university, or college.

(c) To the extent a school is endorsed, recommended, approved, or accredited by, or affiliated with, another person, organization, university, or college, the restrictions of subsections (a) through (b) shall not apply.

*(Indiana Real Estate Commission; 876 IAC 2-5-4; filed Dec 9, 1988, 1:25 p.m.: 12 IR 934, eff Jan 8, 1989; errata filed Dec 21, 1988, 3:45 p.m.: 12 IR 1209; errata filed May 15, 1989, 2:20 p.m.: 12 IR 1907; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-5-5 Advertising; requirements**

**Authority: IC 25-34.1-2-5**

**Affected: IC 25-34.1-5**

Sec. 5. (a) Schools are prohibited from engaging in false or misleading advertising.

(b) If a school's advertisement contains representations concerning the number or percentage of its students who pass the commission's broker or salesperson examination, the school shall retain information including the raw data and the calculation substantiating the accuracy of the representations and make it available to the commission upon request.

(c) The method of calculation of passing percentage under subsection (b) shall be as follows:

(1) Advertisement must state the period for which passing percentages are reported.

(2) Percentages must be based on first-time candidates taking the state licensing examinations for the period reported.

*(Indiana Real Estate Commission; 876 IAC 2-5-5; filed Dec 9, 1988, 1:25 p.m.: 12 IR 934, eff Jan 8, 1989; errata filed Dec 21, 1988, 3:45 p.m.: 12 IR 1209; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-5-6 Real estate schools; prohibitions**

**Authority: IC 25-34.1-2-5**

**Affected: IC 25-34.1**

Sec. 6. Real estate schools are prohibited from the following:

(1) Giving materially inaccurate or misleading information in an application for course approval or annual report.

(2) Deliberately falsifying or misrepresenting any information supplied to the commission or public.

(3) Possessing, claiming to possess, revealing, or distributing any questions used in the commission's broker or salesperson examinations.

(4) Having substantially failed to comply with the provisions of any contract or agreement entered into with a student.

(5) Failing to allow the commission or its designee to inspect the school or its records or failing to make available such information as required by IC 25-34.1-5 and this article.

(6) Having been convicted, or one (1) of its owners having been convicted, of a crime which has a direct bearing on the school's ability to conduct a real estate course including, but not necessarily limited to, violation of real estate laws and abuse of fiduciary responsibilities.

(7) Violating IC 25-34.1 or this title.

(8) Failing to notify the commission within thirty (30) days of the termination of its relationship with an instructor for cause.

(9) Paying or receiving a rebate or referral fee to any broker to recruit students.

*(Indiana Real Estate Commission; 876 IAC 2-5-6; filed Dec 9, 1988, 1:25 p.m.: 12 IR 935, eff Jan 8, 1989; errata filed Dec 21, 1988, 3:45 p.m.: 12 IR 1209; errata filed May 15, 1989, 2:20 p.m.: 12 IR 1907; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-5-7 Real estate schools; performance standard**

**Authority: IC 25-34.1-2-5**

**Affected: IC 25-34.1-5-9**

Sec. 7. (a) For any approved course, a school shall not have a percentage of its students in any year who pass the broker or salesperson course in their first attempt at a rate of less than fifty percent (50%) of the performance record of all first-time examinees.

(b) The method of calculation of a passing percentage under subsection (a), shall be the percentage of first-time candidates taking the state licensing examination for the year reported.

(c) If a school is in violation of subsection (a), it shall be given notice of the discovered violation and shall have six (6) months to come into compliance with subsection (a), before any action is taken under IC 25-34.1-5-9.
*(Indiana Real Estate Commission; 876 IAC 2-5-7; filed Dec 9, 1988, 1:25 p.m.: 12 IR 935, eff Jan 8, 1989; errata filed Dec 21, 1988, 3:45 p.m.: 12 IR 1209; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**Rule 6. Fundamentals of Real Estate Salesperson Course; General**

**876 IAC 2-6-1 Course description**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**
Sec. 1. The salesperson course consists of instruction in basic real estate principles and practices, including real estate law, financing, brokerage, closing, valuation, management, taxation, and mathematics. Also included is instruction in construction, land use, property insurance, and the Indiana real estate license statute, and the rules of the Indiana real estate commission *[this title]*.
*(Indiana Real Estate Commission; 876 IAC 2-6-1; filed Dec 1, 1989, 5:00 p.m.: 13 IR 635; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-6-2 Course objective**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**
Sec. 2. The primary objectives of the salesperson course are:
(1) to provide students with the basic knowledge and skills necessary to act as a real estate salesperson; and
(2) to prepare students for the real estate salesperson license examination.
*(Indiana Real Estate Commission; 876 IAC 2-6-2; filed Dec 1, 1989, 5:00 p.m.: 13 IR 635; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-6-3 Syllabus**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**
Sec. 3. The course syllabus in 876 IAC 2-7 through 876 IAC 2-8 is established by the Indiana real estate commission to establish minimum content level for the salesperson course.
*(Indiana Real Estate Commission; 876 IAC 2-6-3; filed Dec 1, 1989, 5:00 p.m.: 13 IR 635; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-6-4 Textbooks and other instructional materials**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**
Sec. 4. The required instructional materials and approved textbooks for the salesperson course are found in 876 IAC 2-9-1.
*(Indiana Real Estate Commission; 876 IAC 2-6-4; filed Dec 1, 1989, 5:00 p.m.: 13 IR 636; errata, 13 IR 1862; filed Jun 30, 1999, 2:41 p.m.: 22 IR 3418; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-6-5 Instructors**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**
Sec. 5. Although instructors who meet the requirements of 876 IAC 2-3 may teach all subject areas included in this course, it should be noted that very few instructors actually possess the desired level of competency in each and every subject area. For this reason, schools are encouraged to utilize guest lecturers with specialized knowledge and skills in specific areas in addition to the primary instructor.
*(Indiana Real Estate Commission; 876 IAC 2-6-5; filed Dec 1, 1989, 5:00 p.m.: 13 IR 636; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-6-6 Order of subject area presentation**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**
Sec. 6. The order in which subject areas are presented in 876 IAC 2-1 and 876 IAC 2-8 is the recommended order. Instructors may make reasonable adjustments in the order of presentation, but should retain a logical order of presentation in any event.
*(Indiana Real Estate Commission; 876 IAC 2-6-6; filed Dec 1, 1989, 5:00 p.m.: 13 IR 636; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-6-7 Major subject area emphasis**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**
Sec. 7. Subject area emphasis by major subject area are the topics listed in 876 IAC 2-7-1 in the form of a specific number of classroom hours to be devoted to each major subject area. Instructors may make reasonable adjustments in subject area emphasis to suit their class schedules and individual preference; however, instructors are cautioned against undue overemphasis or underemphasis of topics.
*(Indiana Real Estate Commission; 876 IAC 2-6-7; filed Dec 1, 1989, 5:00 p.m.: 13 IR 636; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-6-8 Competency and instructional levels**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**
Sec. 8. (a) Each major topic established in 876 IAC 2-8-1 through 876 IAC 2-8-15 has been assigned a "competency and instructional level" in order to assist the instructor in determining the appropriate relative emphasis and instructional methods for such topics. In some instances where subtopic should be afforded significantly greater or lesser emphasis than that indicated by the level assigned to the major topic under which it is listed, such subtopic has been assigned a different level which applies to that subtopic only.
(b) Competency and instructional levels have been assigned based on the relative importance of the topic and the degree of knowledge or skill needed by real estate salespersons with regard to the topic. Instructors are REQUIRED to comply with the assigned competency and instructional levels (and special notes to instructors) when teaching this course.
(c) As used in this section, "competency" refers to the knowledge/ability level expected of students with regard to a particular topic, while the term "instruction" refers to the depth of instruction and the instructional methods which should be utilized.
(d) Shown below are the four (4) competency and instructional levels used in 876 IAC 2-8 and the meaning of each. Level 1 is the lowest level and Level 4 is the highest.

Level 1
Competency: Student should have a general familiarity with topic.
Instruction: Instructor should discuss topic generally; do not cover in depth.

Level 2
Competency: Student should have a good basic knowledge and understanding of topic.
Instruction: Instructor should cover topic in some moderate depth, using examples (as appropriate) to reinforce ideas, principles, and practices. Coverage should be

sufficient to assure that students have a firm grasp of the basic facts, principles, and practices associated with the topic.

Level 3

Competency: Student should have a good working knowledge of topic. Student should not only have a good understanding of the basic facts, principles, and practices associated with the topic, but also should be able to apply his/her knowledge to common fact situations which will likely be encountered in real estate practice.

Instruction: Instructor should cover topic in depth, using examples (as appropriate) to reinforce ideas, principles, and practices and requiring students to complete practical work assignments (as appropriate) to demonstrate both their understanding of the topic and their ability to apply their knowledge to common fact situations which will be encountered in real estate practice.

Level 4

Competency: Student should have a thorough and complete working knowledge of topic. Student should not only have a thorough, in-depth understanding of the facts, principles, and practices associated with the topic, but should also be able to apply his/her knowledge to a wide variety of fact situations which may be encountered in real estate practice.

Instruction: Instructor should cover in depth, using examples (as appropriate) to reinforce ideas, principles, and practices and requiring students to complete extensive practical work assignments (as appropriate) to demonstrate both their understanding of the topic and their ability to apply their knowledge to a wide variety of fact situations which may be encountered in real estate practice.

*(Indiana Real Estate Commission; 876 IAC 2-6-8; filed Dec 1, 1989, 5:00 p.m.: 13 IR 636; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-6-9 Mathematics instruction**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 9. 876 IAC 2-7 through 876 IAC 2-8 establish instruction on mathematical functions relating to real estate practice to be provided under the various subject areas involving such mathematical functions rather than as a separate subject area. Consideration was given to the amount of mathematics involved in each subject area when establishing the number of classroom hours for subject areas. This integrated approach is required because it helps assure that students understand how various mathematical functions relate to the various areas of real estate practice. Instruction in basic mathematics concepts such as decimals, fractions, percentages, multiplication, division, etc., is not included in 876 IAC 2-7 through 876 IAC 2-8. If such basic mathematics instruction is to be included in any real estate course, additional time above the minimum required for such course must be provided for such instruction.

*(Indiana Real Estate Commission; 876 IAC 2-6-9; filed Dec 1, 1989, 5:00 p.m.: 13 IR 637; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-6-10 Syllabus copies**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 10. (a) Copies of this rule and 876 IAC 2-7 through 876 IAC 2-9 will be provided free of charge by the Indiana real estate commission to approved schools and instructors. School officials and instructors are asked however, to limit requests for copies to that number which is actually needed for use by schools and instructors. Schools and instructors may be asked to justify any request for an unusually large number of copies.

(b) The Indiana real estate commission will not provide copies of this rule and 876 IAC 2-7 through 876 IAC 2-9 for student use, although schools and instructors may reproduce all or part of this rule and 876 IAC 2-7 through 876 IAC 2-9 for student use at their own expense, and may charge students for the cost of reproduction.

*(Indiana Real Estate Commission; 876 IAC 2-6-10; filed Dec 1, 1989, 5:00 p.m.: 13 IR 637; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**Rule 7. Real Estate Salesperson Course; Major Subject Area Emphasis**

**876 IAC 2-7-1 Major subject area; number of course hours**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 1. The fundamentals of the real estate salesperson course are as follows:

FUNDAMENTALS OF REAL ESTATE SALESPERSON
PRELICENSING COURSE MAJOR SUBJECT AREA EMPHASIS

| Subject Area | Number of Course Hours |
|---|---|
| Basic real estate concepts and course overview | 4.0 |
| Property ownership and interests | 3.0 |
| Transfer of title to real property | 2.0 |
| Land use controls | 1.0 |
| Real estate brokerage and law of agency | 3.0 |
| Fair housing | 1.0 |
| Real estate contracts | 6.0 |
| Landlord and tenant (including leases) | 1.0 |
| Real estate financing | 10.0 |
| Closing real estate transactions | 5.0 |
| Basic house construction | 1.0 |
| Property valuation | 7.0 |
| Real estate management | 1.0 |
| Property insurance | 1.0 |
| Federal income taxation of home ownership | 1.0 |
| License law, commission rules, and trust account guidelines | 7.0 |
| Total course hours | 54.0 |

*(Indiana Real Estate Commission; 876 IAC 2-7-1; filed Dec 1, 1989, 5:00 p.m.: 13 IR 637; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**Rule 8. Real Estate Salesperson Course; Outline**

**876 IAC 2-8-1 Basic real estate concepts**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 1. (a) The competency and instructional level for subdivisions (1) through (4) is Level 1. The following are general characteristics of real estate:

(1) Terminology.

(2) Classes of property. (Cover in greater depth under section 2 of this rule.)
(3) The following characteristics of land:
(A) Immobility.
(B) Permanence.
(C) Uniqueness.
(4) The following characteristics of land:
(A) Scarcity.
(B) Permanence of investment.
(C) Location.
(b) The competency and instructional level for subdivisions (1) through (4) is Level 1. The following are general concepts of land use and investment:
(1) The highest and best use concept.
(2) Public and private land use restrictions. (Cover in greater depth under section 4 of this rule.)
(3) Real estate investment objectives.
(4) The real estate market.
*(Indiana Real Estate Commission; 876 IAC 2-8-1; filed Dec 1, 1989, 5:00 p.m.: 13 IR 638; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-8-2 Property ownership and interest**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**
Sec. 2. (a) The competency and instructional level for subdivisions (1) through (4) is Level 2. The competency and instructional level for subdivision (5) is Level 3. The following are concepts of property:
(1) The "bundle of rights" concept.
(2) Real property.
(3) Personal property.
(4) Lands, minerals, fruits of the soil.
(5) The following fixtures:
(A) Definition.
(B) Criteria for determining if item is a fixture. (Students should be able to apply these criteria to common fact situations.)
(C) Trade and agricultural fixtures.
(D) Effect of Uniform Commercial Code concerning security interests in fixtures.
(b) The competency and instructional level for subdivisions (1), (2)(A)(ii)(AA), and (2)(B) is Level 2. The competency and instructional level for subdivisions (2)(A)(i)(BB) and (2)(A)(ii)(BB) is Level 1. The following are concepts of estates in real property:
(1) Definition of "estate".
(2) The following types of estates (characteristics of each):
(A) Freehold estates as follows:
(i) The following estates of inheritance:
(AA) Fee simple.
(BB) Determinable, base, or qualified fee.
(CC) Estate for life of another.
(ii) Estates not of inheritance (life estates).
(AA) Estate for tenant's own life (conventional life estate).
(BB) Marital life estates.
(B) Nonfreehold (leasehold) estates. (Mention only; cover in greater depth under section 8 of this rule.)
(c) The competency and instructional level for subdivisions (1) and (2)(B) through (2)(D) is Level 2. The competency and instructional level for subdivision (2)(A) is Level 1. The following are concepts of ownership of real property:
(1) Severalty (sole) ownership.
(2) The following concurrent (joint) ownership (characteristics of each method):
(A) Joint tenancy.
(B) Tenancy in common.
(C) Tenancy by entirety.
(D) The following hybrid forms of ownership:
(i) Condominium ownership (characteristics, creation, and consumer protection).
(ii) Cooperative ownership.
(iii) Townhouse ownership.
(iv) Time share ownership.
(v) Planned unit development (PUD).
(d) The competency and instructional level for subdivisions (1)(A), (1)(C), and (2) through (5) is Level 2. The competency and instructional level for subdivision (1)(B) is Level 1. The following are concepts of encumbrances to real property:
(1) The following liens:
(A) The following specific liens:
(i) Mortgages (deeds of trust). (Mention only; cover in depth under section 9 of this rule.)
(ii) Real estate tax and assessment liens.
(iii) Mechanics' liens (statutory liens).
(B) The following general liens:
(i) Judgment liens.
(ii) Personal property tax liens.
(iii) State tax liens.
(iv) Federal tax liens.
(C) Lien priority.
(2) Restrictive covenants. (Mention only; cover in depth under section 4 of this rule.)
(3) Lis pendens (notice of pending litigation).
(4) The following easements and licenses:
(A) The following classifications of easements:
(i) Appurtenant easements.
(ii) Easements in gross.
(B) The following creations of easements (types by method of creation):
(i) Express.
(ii) Implied.
(iii) Arising by operation of law.
(C) Termination of easements.
(D) Party wall (cross easements).
(5) Encroachments.
(e) The competency and instructional level for subdivisions (1) through (3) is Level 2. The following are concepts of appurtenances:
(1) Easements and land restrictive covenants. (Mention only.)
(2) Riparian rights.
(3) Air and subsurface rights.
(f) The competency and instructional level for subdivisions (1) through (2) is Level 3. The following are concepts of property taxation:
(1) The following topics concerning property tax:
(A) Tax rate and calculations.
(B) Property subject to taxation.
(C) Listing property for taxation.
(D) Appraisal and assessment.
(E) Timetable for listing and tax collection.
(F) Property tax liens.
(G) Special priority of tax liens.
(H) Exemptions.
(I) Records.
(J) Payment.
(2) The following special assessments:
(A) By counties.
(B) By cities and towns.
(C) Special assessment liens.
*(Indiana Real Estate Commission; 876 IAC 2-8-2; filed Dec 1, 1989, 5:00 p.m.: 13 IR 638; errata, 13 IR 1188; readopted filed Jun 29, 2001, 9:56*

*a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-8-3 Transfer of title to real property**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 3. (a) The competency and instructional level for subdivisions (1) through (4) is Level 1. The following are concepts of methods of transferring title:

(1) By descent (interstate succession).
(2) By will.
(3) By voluntary alienation (deed). (Cover in greater depth under subsection (b).)
(4) By involuntary alienation as follows:
(A) Lien foreclosure sale.
(B) Adverse possession.
(C) Escheat.
(D) Eminent domain (condemnation).

(b) The competency and instructional level for subdivisions (1) through (2) is Level 2. The competency and instructional level for subdivision (2)(B) is Level 1. The following are concepts of deeds:

(1) Essential elements of a valid deed.
(2) The following types of deeds (purpose and characteristics of each):
(A) The following types most commonly used in Indiana (Use sample deed form for illustration.):
(i) General warranty deed.
(ii) Special warranty deed.
(iii) Quit claim deed.
(B) Special purpose deeds.

(c) The competency and instructional level for subdivisions (1) through (3) and subdivision (5) is Level 1. The competency and instructional level for subdivision (4) is Level 2. The following are concepts of title assurance:

(1) Title examination procedures. (If possible, take students on tour of courthouse to view records.)
(2) Title insurance including the following:
(A) Purpose.
(B) The following types of policies:
(i) Owner's policies.
(ii) Mortgagee's (lender's) policy.
(C) Policy coverage.
(D) Cost and procurement.
(3) Abstract of title.
(4) Title recordation including the following:
(A) Purpose.
(B) Documents required to be recorded.
(C) Recording contracts.
(D) Requirements for recordation.
(E) Procedures.
(5) Covenants of title in deeds.

(d) The competency and instructional level for subdivisions (1) through (2) is Level 2. The following are concepts of property description:

(1) Adequacy of description.
(2) The following methods of describing real estate:
(A) Metes and bounds.
(B) Government (rectangular) survey system.
(C) Reference to recorded plan (lot and block).
(D) Informal reference, e.g., street and address.
(E) Reference to publicly recorded documents.

*(Indiana Real Estate Commission; 876 IAC 2-8-3; filed Dec 1, 1989, 5:00 p.m.: 13 IR 639; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-8-4 Land use controls**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 4. (a) The competency and instructional level for the historical development of land use controls is Level 1.

(b) The competency and instructional level for land use control importance to real estate agents is Level 1.

(c) The competency and instructional level for subdivision (1) is Level 2. The competency and instructional level for subdivisions (2) through (7) is Level 1. The following are concepts of land use controls:

(1) The following zoning classifications (Use actual local zoning ordinances, zoning maps, classification charts and tables of permitted uses; students should know how to determine the zoning classification and permitted uses for property subject to a zoning ordinance.):
(A) Basis for governmental zoning authority.
(B) Purpose of zoning regulations.
(C) Zoning districts.
(D) Zoning ordinances.
(E) The following zoning concepts and terms:
(i) Nonconforming use.
(ii) Illegal use.
(iii) Zoning amendments.
(iv) Variance.
(v) Special use permit (or special exception).
(vi) Overlay districts.
(vii) Historic preservation zoning.
(viii) Aesthetic zoning.
(ix) Spot zoning.
(2) Urban and regional planning.
(3) Subdivision regulations.
(4) Building codes.
(5) Highway access controls.
(6) Federal regulation of interstate sales of subdivided land.
(7) Environmental protection legislation (and regulation).

(d) The competency and instructional level for subdivisions (1) through (3) is Level 2. (Restrictive covenants) (Use typical set of subdivision covenants for illustration.) The following are concepts of privately imposed land use controls:

(1) Purpose.
(2) Typical matters addressed.
(3) Enforcement.

(e) The competency and instructional level for “government ownership” is Level 1.

*(Indiana Real Estate Commission; 876 IAC 2-8-4; filed Dec 1, 1989, 5:00 p.m.: 13 IR 640; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-8-5 Real estate brokerage; law of agency**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 5. (a) The competency and instructional level for general agency concepts and definitions for real estate brokerage and law of agency is Level 2.

(b) The competency and instructional level for subdivisions (1) through (3) is Level 2. The following are concepts of the classification of agency relationships:

(1) Universal.
(2) General.
(3) Special.

(c) The competency and instructional level for subdivisions (1) through (2) is Level 3. The following are concepts of employment and authority of the real estate agent:

(1) Brokerage contracts (as source of authority). (Cover listing contracts and property management contracts in detail where subsequently addressed.)
(2) Extent (scope) of agent's authority.
(d) The competency and instructional level for subdivisions (1) through (4) is Level 3. The following are general concepts of agency and subagency situations:
(1) Listing with independent broker, e.g., a single broker working alone.
(2) Listing with brokerage firm.
(3) Multiple listing service (or cooperating broker).
(4) Buyer-broker relationship.
(e) The competency and instructional level for subdivisions (1) through (3) is Level 3. The following are duties and liabilities of agents:
(1) Agent's duties to principal including the following:
(A) Loyalty and obedience. (Note potential problems involved with "self-dealing" and "conflict of interest" situations.)
(B) Skill, care, and diligence.
(C) Disclosure (and nondisclosure) of information.
(D) Accounting.
(E) Competency in the particular activity.
(F) Fiduciary responsibilities.
(G) "Prudent Man" rule.
(2) Agent's duties to third persons (buyers and tenants) including the following:
(A) Difference between "client" and "customer" in real estate practice.
(B) General duty of "honesty and fairness".
(C) The following prohibited conduct:
(i) Willful misrepresentation.
(ii) Negligent misrepresentation.
(iii) Willful omission.
(iv) Negligent omission.
(v) Misrepresentation.
(vi) Fraud.
(3) The following liabilities and consequences of agent's breach of duties:
(A) Disciplinary action by real estate commission against agent.
(B) Civil liability of agent.
(C) Criminal liability of agent.
(D) Civil liability of principal (for agent's misconduct).
(f) The competency and instructional level for subdivisions (1) through (3) is Level 3. The following are duties and liabilities of principals:
(1) The following principal's duties to agent:
(A) Good faith.
(B) Compensation.
(2) Principal's duties to third persons. (Note doctrine of caveat emptor and limitations to such doctrine established by consumer protection laws and judicial decisions.)
(3) The following are liabilities and consequences of principal's breach of duties:
(A) Criminal liability in some cases.
(B) Civil liability.
*(Indiana Real Estate Commission; 876 IAC 2-8-5; filed Dec 1, 1989, 5:00 p.m.: 13 IR 640; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-8-6 Fair housing**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**
Sec. 6. (a) The competency and instructional level for subdivisions (1) through (3) is Level 2. The following are concepts of the Fair Housing Act of 1968 (Title VIII of 1968 Civil Rights Act):
(1) Discrimination in the sale or rental of housing based on race, color, religion, sex, or national origin as follows:
(A) Blockbusting (or "panic peddling").
(B) Steering.
(C) Discriminatory advertising.
(D) Refusing to sell, rent, or negotiate based on race, etc.
(E) Discrimination in terms, conditions, or privileges.
(F) Discrimination in the financing of housing ("redlining" and related practices).
(G) Discrimination in provision of brokerage services.
(2) Exemptions.
(3) The following enforcement and penalties:
(A) By administrative procedure through the Office of Equal Opportunity (OEO) of the Department of Housing and Urban Development (HUD).
(B) By private lawsuit in federal court.
(C) Procedures for initiating a complaint.
*(Indiana Real Estate Commission; 876 IAC 2-8-6; filed Dec 1, 1989, 5:00 p.m.: 13 IR 641; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-8-7 Real estate contracts**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**
Sec. 7. (a) The competency and instructional level for subdivisions (1) through (6) and (10) is Level 2. The competency and instructional level for subdivisions (7) through (9) is Level 1. The following are concepts of basic contract law:
(1) The following basic contract terms and classifications:
(A) Definition of a contract.
(B) Express/implied.
(C) Bilateral/unilateral.
(D) Executed/executory.
(E) Valid (enforceable)/void (unenforceable) /voidable.
(2) The following essential elements of a contract:
(A) The following requirements for mutual assent (offer and acceptance):
(i) The offer.
(ii) Acceptance.
(iii) Counteroffers.
(iv) Termination of offers.
(B) Consideration.
(C) Capacity of the parties.
(D) Lawful objective.
(3) The following requirements for reality of consent:
(A) Mistake.
(B) Fraud and misrepresentation.
(C) Duress.
(D) Undue influence.
(4) Contract law and auction sales as follows:
(A) Basic procedures.
(B) "With reserve" versus "without reserve".
(5) Statute of frauds (applied to real estate contracts) as follows:
(A) Contracts to sell or convey any interest in real property.
(B) Leases of real property exceeding three (3) years in duration.
(6) The following discharge of contracts:
(A) Agreement of the parties.
(B) Full performance.
(C) Impossibility of performance.
(D) Operation of law.
(7) Assignment of contracts.
(8) General rules for interpretation of contracts.
(9) The following contract remedies:
(A) Money damages.

(B) Specific performance.
(C) Recision.
(10) Other considerations as follows:
(A) The following authority to sign:
(i) Competency.
(ii) Age.
(iii) Power of attorney.
(iv) Need for signature of all parties.
(B) Notary public.
(C) Changing a contract.
(D) "Time is of the essence".
(E) Abbreviations in contracts.
(F) Blanks in contracts.
(G) Who may write contracts.

(b) The competency and instructional level for subdivisions (1) through (6) and (8) is Level 3. The competency and instructional level for subdivision (7) is Level 2. The following are concepts of listing contracts and practices:

(1) Definition and purpose of listing contracts.
(2) Broker's entitlement to a commission as follows:
(A) The following requisites for establishing claim to a commission:
(i) Broker must be licensed.
(ii) Broker must have a valid employment (listing) contract.
(B) Ready, willing, and able buyer rule.
(C) Procuring cause of sale rule.
(3) The following basic types of listing contracts (characteristics of each):
(A) Open.
(B) Exclusive agency.
(C) Exclusive right to sell.
(D) Protection agreement.
(4) Multiple listing service arrangements. (Use sample pages from local MLS book for illustration of how the MLS lists properties.)
(5) The following listing contract provisions (Introduce listing agreement used on state examination.):
(A) Property description.
(B) Listing price and terms of sale.
(C) Broker's duties.
(D) Brokerage fee (including computations) as follows:
(i) Percentage of sale price (commission).
(ii) Flat fee.
(iii) Net listing.
(iv) Splitting the fee.
(E) Duration of listing.
(F) "Override" (or "extender") clause.
(6) Property data sheet as follows:
(A) Purpose and use.
(B) Listing agent's responsibilities.
(C) Determining square footage.
(D) Seller's disclosure of defects.
(7) Termination of listing contracts.
(8) Practice preparation of listing contracts and property data sheets. (Students should be afforded supervised practice in completing listing contracts and property data sheets. Note the consequences of inadequate or improper preparation of listing contracts and property data sheets.)

(c) The competency and instructional level for subdivision (1) is Level 3. The competency and instructional level for subdivision (2) is Level 1. The competency and instructional level for subdivision (3) is Level 2. The following are concepts of sales contracts and practices:

(1) The offer to purchase. (Student should be afforded supervised practice in completing an offer to purchase as used on the state examination, including special provisions and modifications by counteroffer, for a variety of fact situations.)
(A) The following major contract provisions:
(i) Description of the property (including personal property to be included in the sale).
(ii) Sale price and payment terms.
(iii) Earnest money, and possible forfeiture thereof as follows:
(AA) Forms of earnest money and disclosure thereof.
(BB) Post dated checks.
(CC) Importance of explaining to buyer and seller the handling of an earnest money deposit.
(iv) Type of conveyance and quality of title.
(v) Closing and possession dates.
(vi) Closing expenses and prorations.
(vii) Condition of utilities.
(viii) Condition of property in general.
(ix) Risk of loss.
(x) Wood destroying insects.
(xi) Contingency provisions as follows:
(AA) Buyer financing.
(BB) Sale of buyer's present home.
(xii) Signature and dates.
(B) Offer, acceptance, and delivery (review of legal requirements as applied to this type of contract) as follows:
(i) Handling by telephone.
(ii) Handling by mail.
(iii) Withdrawal of offer.
(C) Submitting the following offers to seller:
(i) Other competitive offer.
(ii) Conditional "back up" offer.
(D) Handling contract modification.
(E) Furnishing copies of offers and contracts to buyer and seller.
(F) Specific performance.
(G) Disclosure by agent that he represents the buyer, the seller, or both.
(2) Installment land contracts (Use sample for illustration.) as follows:
(A) Definition and purpose.
(B) Typical provisions.
(C) Advantages and disadvantages (from viewpoint of both buyer and seller).
(D) Preparation.
(E) Default and foreclosure.
(F) Voluntary information.
(G) Recording.
(3) The following options to purchase real estate (Use sample form for illustration.):
(A) Definition and purpose.
(B) Rights of parties.
(C) Requirements of options.
(D) Right of first refusal. (Distinguish from "option".)

*(Indiana Real Estate Commission; 876 IAC 2-8-7; filed Dec 1, 1989, 5:00 p.m.: 13 IR 641; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-8-8 Landlord and tenant**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 8. (a) The competency and instructional level for subdivisions (1) through (2) is Level 2. The following are concepts of landlord and tenant relationship:

(1) Definitions: landlord (lessor), tenant (lessee), lease.
(2) Privity of estate and privity of contract concepts.

(b) The competency and instructional level for subdivisions (1) through (8) is Level 2. The following are concepts of the Residential Rental Agreements Act:

(1) Obligations of landlord and tenant are mutually dependent.

(2) Landlord's statutory duties.
(3) Relationship of the law of negligence.
(4) Tenant's statutory duties.
(5) Retaliatory eviction doctrine.
(6) Tenant prohibited from unilaterally withholding rent.
(7) Residential eviction remedies.
(8) Constitutional rights of tenants in public housing.

(c) The competency and instructional level for subdivisions (1) through (4) is Level 2. The following are concepts of nonfreehold estates (characteristics of each):
(1) Estates for years.
(2) Estates from period to period (periodic tenancies).
(3) Estates at will.
(4) Estates at sufferance.

(d) The competency and instructional level for subdivisions (1) through (2) and (4) through (6) is Level 2. The competency and instructional level for subdivision (3) is Level 3. The following are general concepts of leases:
(1) The following types of leases (uses and characteristics of each):
(A) Fixed rental (flat); gross.
(B) Percentage.
(C) Net.
(D) Graduated.
(E) Index.
(F) Reappraisal.
(G) Ground.
(H) Mineral.
(2) Lease forms and preparation.
(3) The following lease provisions:
(A) Essential provisions (basically the same as for any contract).
(B) Other common provisions (relating to matters listed as follows and similar matters):
(i) Tenant's use of premises.
(ii) Fixtures.
(iii) Repairs (nonresidential property).
(iv) Assignments and subleases.
(v) Renewal.
(vi) Option to purchase/right of first refusal.
(vii) Landlord's right to enter during lease term.
(viii) Termination.
(C) Landlord's implied covenant of quiet enjoyment.
(4) Application of leases.
(5) Recordation of leases.
(6) Effect of lease upon sale of property.

*(Indiana Real Estate Commission; 876 IAC 2-8-8; filed Dec 1, 1989, 5:00 p.m.: 13 IR 643; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-8-9 Real estate financing**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 9. (a) The competency and instructional level for subdivisions (1), (2)(A) through (2)(B), (2)(E), and (3) through (5) is Level 2. The competency and instructional level for subdivisions (2)(C) through (2)(D) is Level 3. The following are concepts of mortgages:
(1) The following are basic mortgage terms and concepts:
(A) Definitions: mortgage, mortgagor/mortgagee; trustee, beneficiary, grantor.
(B) Right (equity) of redemption.
(C) Foreclosure and statutory redemption period.
(2) The mortgage note provisions as follows:
(A) Essential elements of a valid note.
(B) Special note provisions as follows:
(i) Acceleration clause.
(ii) Prepayment penalty clause.
(iii) Due-on-sale clause.
(C) Principal and interest (debt service) provisions as follows:
(i) Definitions.
(ii) Basic computations of simple interest.
(iii) Determining monthly principal and interest payment.
(iv) Usury laws.
(D) Payment (amortization) plans as follows:
(i) Fixed rate.
(ii) Adjustable (or variable) interest rate plans.
(iii) Graduated payment plans.
(iv) Buydown loan.
(v) Term loan.
(vi) Balloon payment plans.
(vii) Shared appreciation plans.
(E) Negotiability of note.
(3) The mortgage instrument provisions as follows (Use sample form for illustration.):
(A) Essential elements.
(B) Parties to mortgages.
(4) The following rights of mortgage lenders:
(A) Right to foreclosure provisions as follows:
(i) Foreclosure methods as follows:
(AA) Judicial.
(BB) Power of sale (nonjudicial).
(CC) Strict.
(ii) Deficiency judgment.
(B) Right to transfer (assign) the mortgage.
(5) The following rights of borrowers:
(A) Right to possession.
(B) Right (equity) of redemption.

(b) The competency and instructional level for subdivisions (1) through (3) is Level 3. The following are concepts of sales of mortgaged property:
(1) Cash sale.
(2) Assumption of existing mortgage. (Release of liability and restoration of benefits on VA mortgage.)
(3) Purchase subject to existing mortgage.

(c) The competency and instructional level for subdivisions (1)(A) through (1)(B) is Level 3. The competency and instructional level for subdivisions (1)(C) through (1)(E) is Level 2. The competency and instructional level for subdivision (2) is Level 1. The following are concepts of types of mortgages:
(1) The following major types (by lending source):
(A) Conventional mortgage loans including the following:
(i) Definition and availability.
(ii) Insured versus noninsured.
(iii) General characteristics and interest rates.
(B) FHA mortgage loans including the following:
(i) Historical and present role of the FHA.
(ii) Definition and availability.
(iii) General characteristics (including maximum loan amount).
(iv) FHA loan programs including the following:
(AA) Section 203(b), home mortgages.
(BB) Section 234(c), condominium mortgages.
(CC) Sections 245(a) through (b), graduated payment mortgages.
(v) Interest rates.
(vi) Advantages/disadvantages.
(C) VA mortgage loans including the following:
(i) Historical and current role of the VA.
(ii) Eligibility requirements.
(iii) Amount of guarantee or entitlement.
(iv) Characteristics (including interest rates, discount points, and maximum loan amount).

(v) Advantages/disadvantages.
(D) FmHA mortgage loans including the following:
(i) Historical and current role of FmHA.
(ii) Eligibility requirements.
(iii) Characteristics (including interest rates).
(E) Purchase money mortgages (from buyer to seller).
(2) Other types as follows (by loan characteristics) (Cover basic definitions, characteristics, and uses.):
(A) Construction.
(B) Open end.
(C) Blanket.
(D) Package.
(E) Reverse authority.
(F) Wraparound.

(d) The competency and instructional level for subdivisions (1) through (2) is Level 2. The following are concepts of mortgage priorities:
(1) Effect and importance of recordation.
(2) Subordination of mortgages.

(e) The competency and instructional level for subdivisions (1) through (2) is Level 1. The following are concepts of major sources of real estate financing (the primary mortgage market) (Explain the role of each in providing real estate financing.):
(1) The following direct sources (primary mortgage market):
(A) Savings and loan associations.
(B) Commercial banks.
(C) Mutual savings bank.
(D) Mortgage companies (mortgage bankers).
(E) Mortgage brokers.
(F) Individuals.
(G) Miscellaneous (government agencies, credit unions, and employers).
(H) Indiana housing authority.
(2) Indirect sources.

(f) The competency and instructional level for subdivisions (1) through (4) is Level 1. The competency and instructional level for subdivision (5) is Level 3. The following are concepts of the secondary mortgage market (Explain how the secondary market functions and the role of its major participants.):
(1) Federal National Mortgage Association (FNMA).
(2) Government National Mortgage Association (GNMA).
(3) Federal Home Loan Mortgage Corporation (FHLMC).
(4) Private mortgage insurers.
(5) Discount points and yield (including computations).

(g) The competency and instructional level for subdivisions (1), (2)(A)(i) through (2)(A)(iv), and (2)(B) through (2)(D) is Level 2. The competency and instructional level for subdivisions (2)(A)(v) and (3) is Level 3. The following are concepts of residential lending practices and procedures:
(1) Loan application procedures. (Use sample form for illustration.)
(2) Loan underwriting practices as follows:
(A) Borrower analysis ("qualifying a buyer/borrower") including the following:
(i) Credit characteristics.
(ii) Adequacy of assets to close the transaction.
(iii) Stability of income.
(iv) Types of acceptable income.
(v) Adequacy of income. (Student should be afforded practice in applying the expense/income ratios for conventional and FHA loans and the residual income standards for VA loans to hypothetical fact situations.)
(B) Property analysis including the following:
(i) Appraisal.
(ii) Title opinion and title insurance.
(C) Loan analysis including the following:
(i) Yield (interest rate and discount points).
(ii) Loan term.
(iii) Loan-to-value ratio.
(iv) Mortgage insurance.
(D) Loan commitment and closing.
(3) Prequalification of buyer by real estate agent. (Student should be afforded practice in prequalifying hypothetical prospective buyers.)

(h) The competency and instructional level for subdivisions (1) through (2) is Level 1. The following are concepts of financing legislation (federal):
(1) Truth-in-Lending Act and the Truth-in-Lending Simplification and Reform Act (TILSRA), as implemented by Regulation Z of the Federal Reserve Board including the following:
(A) Basic purpose and applicability.
(B) Disclosure of credit information.
(C) Applicability to "arrangers of credit".
(D) Disclosures of credit terms in advertising the sale of real estate.
(2) The Equal Credit Opportunity Act (ECOA) implemented by Regulation B of the Federal Reserve Board including the following:
(A) Basic purpose.
(B) Basic provisions and requirements.

*(Indiana Real Estate Commission; 876 IAC 2-8-9; filed Dec 1, 1989, 5:00 p.m.: 13 IR 644; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-8-10 Closing real estate sales transactions**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 10. (a) The competency and instructional level for subdivisions (1) through (3) is Level 3. (The prevalent closing method used in Indiana. Remainder of section on "closing" is based on this method.) The following are concepts of the closing meeting:
(1) Parties present or represented.
(2) Location where meeting is conducted.
(3) Parties responsible for closing.

(b) The competency and instructional level for subdivisions (1) through (10) is Level 3. The following are concepts of the preliminaries to closing:
(1) Property survey (usually the buyer's responsibility).
(2) Wood-destroying insect (termite) inspection (usually the seller's responsibility).
(3) Title examination (including personal property lien search and mechanic's lien inquiry) (buyer's responsibility).
(4) Abstract of title or title insurance (variations of responsibility).
(5) Property inspection by buyer.
(6) Clearing of title defects by seller.
(7) Homeowner's or hazard insurance (buyer's responsibility).
(8) Sewage disposal percolation test (usually the seller's responsibility if such a test is required).
(9) Drafting and review of documents as follows:
(A) Deed (and any other required documents relating to title) (seller's responsibility).
(B) Note and mortgage (buyer's responsibility).
(C) Bill of sale for personal property (if required) (seller's responsibility).
(D) Closing statement(s) (closing attorney/broker responsibility).
(10) Post-closing title search (buyer's responsibility).

(c) The competency and instructional level for concepts of items required at closing is Level 3. (Cover the items that must be provided at closing by the buyer and seller, either personally or through their attorney(s).)

(d) The competency and instructional level for subdivisions (1) through (2) is Level 3. The following are concepts of prorations at closing:
(1) Methods of calculating prorations as follows:

(A) Three hundred sixty (360) day year/thirty (30) day month method.
(B) Three hundred sixty-five (365) day year method.
(C) Actual days in the month method (combines clauses (A) through (B)).
(D) Proration tables, programmed calculators, etc.
(E) Choice of methods (usually determined by local custom and/or agreement of parties).
(2) Items commonly prorated at closing as follows:
(A) Real estate taxes for current year.
(B) Homeowner's and/or hazard insurance premiums on assigned policy.
(C) Rents on leased premises.
(D) Interest on assumed mortgage.

(e) The competency and instructional level for subdivisions (1) through (5) is Level 3. The following are concepts of the closing statement:
(1) Purpose and preparation.
(2) Broker's responsibility for closing statements.
(3) Closing statement format (HUD-1 form and others).
(4) Closing statement entries as follows (Students are expected to have a good working knowledge of how to record various closing statement entries that may be required in various situations in accordance with standard practices.):
(A) Explanation of "debit/credit" system.
(B) Double entry items as follows:
(i) Prorations.
(ii) Other nonprorated items.
(C) Single entry items as follows:
(i) Debits (charges) to seller.
(ii) Credits to seller.
(iii) Debits (charges) to buyer.
(iv) Credits to buyer.
(D) Balance due seller.
(E) Balance owed buyer.
(5) Handling funds at closing.

(f) The competency and instructional level for subdivisions (1) through (2) is Level 2. The following are concepts of the Real Estate Settlement Procedures Act of 1974 (RESPA):
(1) Purpose and applicability.
(2) Basic provisions as follows:
(A) Requires lender to provide prospective borrowers with a copy of the HUD booklet "Settlement Costs and You" and "good faith estimates" of loan closing costs within three (3) business days of the date a loan application is filed.
(B) Lender must use HUD-1 form for all "federally related" mortgage loans.
(C) Upon demand by borrower, lender must permit borrower to examine the closing statement at least one (1) day prior to closing.
(D) Prohibits lenders from paying "kickbacks" for referrals.
(E) Regulates reserve (impound or escrow) accounts for payment of property taxes and insurance premiums.
(F) Other financing considerations including the following:
(i) Use of gift letters, pledged accounts, etc.
(ii) Second mortgages.

*(Indiana Real Estate Commission; 876 IAC 2-8-10; filed Dec 1, 1989, 5:00 p.m.: 13 IR 646; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-8-11 Basic house construction**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 11. (a) The competency and instructional level for subdivisions (1) through (2) is Level 1. (The purpose of this section is to provide the student with an elementary knowledge of basic house construction principles, techniques, and terminology which will assist the student in listing, showing, and selling such properties. Study is limited to wood frame (including brick veneer) type of construction because of its predominant use in Indiana. Extensive use of handout material is recommended due to limited class time.) The following are concepts of architectural types and styles:
(1) The following basic types:
(A) One (1) story (ranch).
(B) One and one-half (1 1/2) story.
(C) Two (2) story.
(D) Split-level.
(2) The following styles:
(A) Traditional including the following:
(i) Colonial.
(ii) English tudor.
(iii) Victorian.
(iv) French provincial.
(B) Contemporary.

(b) The competency and instructional level for subdivisions (1) through (6) is Level 1. The following are concepts of foundations:
(1) Basic components.
(2) The following major types:
(A) Concrete slabs including the following:
(i) Monolithic.
(ii) Floating.
(B) Basement.
(C) Crawl space.
(3) Materials.
(4) The following termite protection:
(A) Chemical treatment of ground near foundation, walls, and piers.
(B) Pressure-treated wood.
(5) Ventilation.
(6) Waterproofing.

(c) The competency and instructional level for subdivisions (1) through (3) is Level 1. The following are concepts of framing:
(1) Floors, major components.
(2) Walls including the following:
(A) Basic components.
(B) Basic types as follows:
(i) Platform (most common type).
(ii) Balloon.
(iii) Post and beam.
(3) Roof and ceiling framing: major roof types (designs) as follows:
(A) Gable.
(B) Hip.
(C) Shed.
(D) Flat.
(E) Mansard.
(F) Gambrel.

(d) The competency and instructional level for subdivisions (1) through (2) is Level 1. The following are concepts of exterior walls:
(1) Sheathing.
(2) Siding.

(e) The competency and instructional level for subdivisions (1) through (2) is Level 1. The following are concepts of windows and exterior doors:
(1) Windows including the following:
(A) The following types:
(i) Sliding windows: double hung and horizontal sliding.
(ii) Swinging windows: casement, jalousie, hopper, and awning.
(iii) Fixed windows: picture, bay, and bow.
(B) Major components.
(2) The following door types:

(A) Flush.
(B) Panel.
(C) Sliding.
(D) Glass.
(E) French.

(f) The competency and instructional level for subdivisions (1) through (3) is Level 1. The following are concepts of roofing:
(1) Roof sheathing (decking).
(2) Roofing material.
(3) Eaves.

(g) The competency and instructional level for subdivisions (1) through (4) is Level 1. The following are concepts of insulation:
(1) Insulation materials.
(2) Required insulation under Indiana and/or local residential building codes including the following:
(A) Walls.
(B) Ceilings.
(C) Floors. (Note electrical utilities recommend higher R values.)
(3) Weatherstripping.
(4) Moisture control (vapor barriers and attic ventilation).

(h) The competency and instructional level for interior finish for walls, ceilings, and floors is Level 1.

(i) The competency and instructional level for subdivisions (1) through (3) is Level 1. The following are concepts of heating and air conditioning systems:
(1) Heating systems including the following:
(A) Power sources: sun, gas, oil, electricity, coal, wood, etc.
(B) Methods of heating: solar, warm air, hot water, steam, electric wire.
(C) Types of heating systems as follows:
(i) Gravity warm air.
(ii) Forced warm air.
(iii) Electric baseboard.
(iv) Space heating systems. (Include wood stoves, kerosene heaters, electric heaters, fireplaces, etc.)
(v) Solar heating systems as follows:
(AA) Active.
(BB) Passive.
(CC) Components.
(DD) Terminology.
(2) Air conditioning systems including the following:
(A) Central forced air (may be powered by electricity, gas, or oil).
(B) Room air conditioners.
(3) Combination systems, the heat pump.

(j) The competency and instructional level for subdivisions (1) through (3) is Level 1. The following are concepts of government regulations:
(1) Indiana uniform residential building code.
(2) HUD minimum standards.
(3) Contractor licensing.

*(Indiana Real Estate Commission; 876 IAC 2-8-11; filed Dec 1, 1989, 5:00 p.m.: 13 IR 647; errata filed Jun 2, 1998, 11:33 a.m.: 21 IR 3939; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-8-12 Real property valuation; appraisal**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 12. (a) The competency and instructional level for subdivisions (1) through (5) is Level 2. The following are basic appraisal concepts:
(1) Definition of "appraisal" including the following:
(A) Who can perform.
(B) Liability.
(2) Valuation versus evaluation including the following:
(A) Valuation, market value estimates.
(B) Evaluation as follows:
(i) Economic feasibility study.
(ii) Land utilization study.
(3) Concepts of value including the following:
(A) Value in use.
(B) Value in exchange.
(C) "Value" versus "cost" and "price".
(D) Definition of "market value".
(4) Forces and factors influencing property value including the following:
(A) Social ideas and standards.
(B) Economic forces.
(C) Government activities.
(D) Physical or environmental forces.
(5) Basic economic principles of value including the following:
(A) Supply and demand.
(B) Anticipation.
(C) Substitution.
(D) Conformity.
(E) Contribution.
(F) Competition.
(G) Change.
(H) Highest and best use.

(b) The competency and instructional level for subdivision (1) is Level 3. The competency and instructional level for subdivisions (2) through (3) is Level 2. The competency and instructional level for subdivision (4) is Level 1. The following are concepts of approaches to value (appraisal methods):
(1) Market data approach (also called direct sales comparison approach) (Students should be afforded practice in the use of this approach for estimating the value of residential properties.) including the following:
(A) Definition and general use; terminology.
(B) The following procedures:
(i) Selection of recently sold comparable properties ("comparables").
(ii) Collection and analysis of sales and property data.
(iii) Adjustment of the sale prices of comparables to reflect differences between them and the subject property.
(iv) Correlation of the adjusted sale prices of comparables to derive estimate of value for subject property.
(2) Cost approach including the following:
(A) Definition and general use; terminology.
(B) Estimate of land (lot) value (determined by using market data approach).
(C) Estimating building costs as follows:
(i) Reproduction cost versus replacement cost.
(ii) Estimating reproduction or replacement cost using the square foot (comparative) method (simplest and most widely used method by appraisers).
(iii) Depreciation as follows:
(AA) Definition and basic concepts (such as "effective age" and "economic life").
(BB) The following depreciation methods:
(aa) Age/life (straight-line) method.
(bb) Market abstraction method.
(cc) The following breakdown method:
(1) Physical deterioration (curable and incurable).
(2) Functional obsolescence (curable and incurable).
(3) Economic obsolescence (curable and incurable).
(D) Formulating the opinion of value (estimated reproduction/replacement cost less (-) estimated depreciation plus (+) estimated value of land equals (=) indication of value).
(3) Income approach including the following:

(A) Definition and general use.
(B) Capitalization of income method as follows:
(i) Estimate gross potential income based on “market rent”.
(ii) Derive net operating income estimate by deducting projected vacancy and collection losses and operating expenses from gross income projection.
(iii) Derive capitalization rate by either:
(AA) market abstraction (same concept as used with market data approach and GRM method; most commonly used method); or
(BB) other methods such as “band of investment method”, “build-up method”, or “mortgage equity method”.
(These are beyond the scope of this course. Mention only, do not cover.)
(iv) Derive estimate of property value (value equals net operating income divided by capitalization rate).
(C) Gross rent multiplier (GRM) method as follows:
(i) Obtain sale price and gross income (rent) data on recently sold similar (comparable) properties. (Also record property and other sales data for comparative purposes.)
(ii) Derive GRM for each comparable (sales price divided by gross income equals GRM).
(iii) Correlate data to determine appropriate GRM.
(iv) Derive estimate of subject property's value (GRM multiplied by gross income of subject equals indicated value of subject).
(4) The following reconciliation of the three (3) approaches to value:
(A) Assign appropriate “weight” to value indicated by each approach according to the reliability of each approach for the particular subject property.
(B) Derive final conclusion (estimate) of value.

*(Indiana Real Estate Commission; 876 IAC 2-8-12; filed Dec 1, 1989, 5:00 p.m.: 13 IR 648; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-8-13 Real estate management**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 13. (a) The competency and instructional level for subdivisions (1) through (2) is Level 2. The following are concepts of real estate management:
(1) Purpose of real property management.
(2) Types of properties requiring management as follows:
(A) Residential.
(B) Commercial.
(C) Industrial.

(b) The competency and instructional level for subdivisions (1) through (3) is Level 2. The following are concepts of the owner/property manager relationship:
(1) Authority of property manager (agent) including the following:
(A) Established by property management contract.
(B) Property manager is normally a special agent.
(2) Duties of property manager (in general, a property manager owes the same duties to his principal and to third persons as those covered under “real estate brokerage and the law of agency”).
(3) Property management fee (including calculations).

(c) The competency and instructional level for subdivisions (1) through (8) is Level 2. The following are concepts of the principal functions of property managers:
(1) Establishing a rental schedule.
(2) Preparing a proposed operating budget.
(3) Marketing (advertising) and renting the property.
(4) Collecting and accounting for rents and security deposits including the following:
(A) Establishing policies.
(B) Statutory requirements.
(5) Instituting legal actions (to recover rents or to evict tenants).
(6) Maintaining and protecting the property (including supervision of maintenance personnel, paying property insurance, establishing and enforcing rules for tenants, and providing tenant services).
(7) Performing landlord's duties under leases.
(8) Maintaining records and reporting to owner (including periodic income and expense reports).

*(Indiana Real Estate Commission; 876 IAC 2-8-13; filed Dec 1, 1989, 5:00 p.m.: 13 IR 649; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-8-14 Property insurance**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 14. (a) The competency and instructional level for subdivisions (1) through (4) is Level 1. The following are basic property insurance concepts and terminology:
(1) Insurer and insured.
(2) Property (fire and other hazard) insurance.
(3) Liability insurance.
(4) Package insurance policy.

(b) The competency and instructional level for subdivisions (1) through (2) is Level 1. The following are concepts of the standardized homeowner's insurance policies:
(1) Standardized forms including the following:
(A) HO-1 (basic form).
(B) HO-2 (broad form).
(C) HO-3 (all risk form — the most widely used form).
(D) HO-4 (tenant's policy — for personal property).
(E) HO-5 (comprehensive all risk form — provides broad coverage of both real and personal property).
(F) HO-6 (condominium owner's policy).
(2) Contents of HO-2 (or HO-3) form (Use standard policy form for illustration.) including the following:
(A) Agreement to insure (and related provisions).
(B) Declaration page including the following:
(i) Period of coverage.
(ii) Property description and “rating”.
(iii) Coverage, including liability limits, deductibles (if any), and premiums.
(iv) Endorsements (if any).
(v) Name of mortgagee, signature of authorized agent, and other similar matters.
(C) Standardized policy provisions (all details of the policy, including perils insured against, property covered, conditions, exclusions, and endorsements).
(D) Definitions as follows:
(i) Conditions.
(ii) Exclusions.
(iii) Endorsements.

(c) The competency and instructional level for subdivisions (1) through (4) is Level 1. The following are concepts of selected legal issues:
(1) Insurable interests.
(2) Coinsurance (including computations).
(3) Unoccupied building exclusions.
(4) Interpretation of policies.

*(Indiana Real Estate Commission; 876 IAC 2-8-14; filed Dec 1, 1989, 5:00 p.m.: 13 IR 650; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-8-15 Federal income taxation of homeownership**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 15. (a) The competency and instructional level for subdivisions (1) through (2) is Level 3. The following are concepts of deductions from income for homeowners:

(1) Real property taxes.
(2) Mortgage interest (limited deductions).

(b) The competency and instructional level for subdivisions (1) through (5) is Level 3. (Students should be afforded practice in performing the various computations associated with taxation of gain on the sale of personal residence.) The following are concepts of the sale of personal residence:

(1) Basis and adjusted basis.
(2) Determination of gain or loss.
(3) Nature of gain or loss.
(4) Deferral of taxation on gain ("rollover" provisions).
(5) Exclusion of gain by taxpayer over age fifty-five (55).

*(Indiana Real Estate Commission; 876 IAC 2-8-15; filed Dec 1, 1989, 5:00 p.m.: 13 IR 650; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-8-16 Real estate license law, commission rules and regulations; escrow account guidelines**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 16. In-depth knowledge of the Indiana Real Estate License Laws and Rules and Regulations booklet is required. Competency and instructional level is Level 3.

*(Indiana Real Estate Commission; 876 IAC 2-8-16; filed Dec 1, 1989, 5:00 p.m.: 13 IR 651; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-8-17 Real estate mathematics**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 17. (a) The competency and instructional level for real estate mathematics is Level 1 or Level 2. This section is included only for the purpose of listing in one (1) place the types of applied real estate mathematics calculations which students should master in this course. As a practical matter, it will be necessary to cover most of these various mathematics calculations at various points during the course. It is not feasible to cover all real estate mathematics required in the course as a separate subject area, although instructors may wish to have a "review" on real estate mathematics near the end of the course.

(b) It should be noted that the mathematics listed below is applied real estate mathematics. This course outline does not provide for instruction in basic mathematics such as addition, subtraction, multiplication, division, decimals, fractions, or percentages. It is presumed that entering students possess these elementary mathematical skills. Should it be necessary to provide students with remedial instruction in basic mathematics, schools must include additional time for such instruction over and above the minimum time required for this course.

(c) Instructors will note that competency and instructional levels are not assigned to topics in this section. Since all the topics (types of mathematics calculations) listed should be "mastered" by students, it is considered obvious that a working knowledge of these topics is required. Students are still expected to have a working knowledge of the mathematics associated with such topics.

(d) Types of applied real estate mathematics calculations include the following concepts of brokerage commissions:

(1) On sales.
(2) On rentals.
(3) Commission splits.

(e) Estimating net to seller after brokerage fee and other closing expenses are paid (when setting listing price or considering an offer).

(f) Concepts of profit/loss on sale of real estate (including percentages); equity (including percentages).

(g) The following are concepts of area calculations:

(1) Conversion of acreage to square footage and vice versa.
(2) Calculations of square footage of variously shaped buildings and parcels of land with straight-line sides, including irregularly shaped parcels and buildings (involves application of formulas for calculating the area of squares, rectangles, trapezoids, and right triangles).
(3) Cost and price per square foot, acre, front.

(h) The following are concepts of financial calculations:

(1) Simple interest (how to compute monthly interest and amount of interest paid over life of a fixed-rate loan).
(2) Monthly P and I payment (how to compute monthly P and I payment using "factors", given the loan amount, interest rate, term, and factor).
(3) Debt service and mortgage debt reduction (how to compute principal balance after one (1) monthly payment, given previous principal balance, monthly P and I payment and interest rate, without using amortization tables).
(4) Loan origination fees and discount points.
(5) Loan value (applying loan-to-value rations).
(6) Yields (on mortgage loans involving discount points using "rule of thumb").
(7) Qualifying a buyer using given maximum expense/income ratios and other relevant data, determining:
(A) the maximum PITI payment buyer can qualify for;
(B) the maximum loan amount buyer can qualify for;
(C) the minimum income required for buyer to qualify for a loan of "X" amount;
(D) the maximum expenses buyer can have to qualify for a loan of "X" amount; or
(E) whether or not buyer is qualified for a particular loan.

Also computing "housing expenses" and "long-term debts" (recurring obligations) using given data.

(i) Prorations at closing. (See section on "Closing Real Estate Transactions" for proration methods and items requiring proration.)

(j) Preparation of closing statements. (Note: Although the salesperson license examination does not require candidates to work an entire closing statement (for both seller and buyer), students in this course should nevertheless be taught closing statement preparation. Salesperson license examination candidates may be required to work closing statement "mini" problems where, based on summarized data, they are asked to calculate the "net proceeds due to seller" or the "balance due from buyer".)

(k) A concept of appraisal math includes the following calculations involved with market data approach:

(1) Adjustments to sale prices of comparables.
(2) Calculating estimate of value.

(l) The following are concepts of income tax calculations related to home ownership:

(1) Calculating "deductions".
(2) Calculating "adjusted basis".
(3) Calculations related to the determination of "gain/loss realized".
(4) Calculations related to the "deferral of gain" in various situations and to the "exclusion of gain" by taxpayers over age fifty-five (55).

*(Indiana Real Estate Commission; 876 IAC 2-8-17; filed Dec 1, 1989, 5:00 p.m.: 13 IR 651; errata filed Jun 2, 1998, 11:33 a.m.: 21 IR 3939; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**Rule 9. Real Estate Salesperson Course; Required Instructional Materials**

**876 IAC 2-9-1 Required instructional materials**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**
Sec. 1. (a) The Indiana real estate license law booklet, which is available without charge from the Indiana real estate commission, is required instructional material for the real estate salesperson course.
(b) Schools may also use such other textbooks and materials for instructional purposes that are appropriate and useful in teaching the salesperson curriculum provided for in 876 IAC 2-6 through 876 IAC 2-8.
*(Indiana Real Estate Commission; 876 IAC 2-9-1; filed Dec 1, 1989, 5:00 p.m.: 13 IR 652; filed Jul 25, 1991, 3:30 p.m.: 14 IR 2257; filed Jun 30, 1999, 2:41 p.m.: 22 IR 3418; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-9-2 Approved textbooks *(Repealed)***
Sec. 2. *(Repealed by Indiana Real Estate Commission; filed Jul 25, 1991, 3:30 p.m.: 14 IR 2257)*

**876 IAC 2-9-3 Resource and supplemental course materials *(Repealed)***
Sec. 3. *(Repealed by Indiana Real Estate Commission; filed Jul 25, 1991, 3:30 p.m.: 14 IR 2257)*

**Rule 10. Fundamentals of Real Estate Broker Course; General**

**876 IAC 2-10-1 Course description**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**
Sec. 1. (a) The real estate broker course consists of advanced level instruction in real property ownership and interests, transfer of title to real property, land use control, real estate brokerage and the law of agency, real estate contracts, landlord and tenant law, closing real estate transactions, federal income taxation of real estate, the Indiana real estate license statute, rules of the Indiana real estate commission, and basic securities law aspects of real estate transactions; major aspects of financing real estate transactions, including sources of mortgage funds, the secondary mortgage market, financing instruments, types of mortgage laws, underwriting mortgage loans, consumer legislation concerning real estate sales transactions, finance mathematics; and aspects of real estate brokerage operations, including records and bookkeeping and financial operations.
(b) Students should be made aware that in addition to the content of the broker course, they are also responsible for material covered in the salesperson course as it represents basic knowledge necessary to proficient performance as a real estate broker.
*(Indiana Real Estate Commission; 876 IAC 2-10-1; filed Dec 1, 1989, 5:00 p.m.: 13 IR 653; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-10-2 Course objectives**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**
Sec. 2. The primary objectives of this course are:
(1) to provide students with the knowledge of real estate law necessary to act as real estate brokers; and
(2) to prepare students for the real estate license examination.
*(Indiana Real Estate Commission; 876 IAC 2-10-2; filed Dec 1, 1989, 5:00 p.m.: 13 IR 653; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-10-3 Syllabus**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**
Sec. 3. The course syllabus in 876 IAC 2-11 through 876 IAC 2-14 is established by the Indiana real estate commission to establish minimum content level for the broker course.
*(Indiana Real Estate Commission; 876 IAC 2-10-3; filed Dec 1, 1989, 5:00 p.m.: 13 IR 653; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-10-4 Textbooks and other instructional materials**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**
Sec. 4. The required instructional materials and approved textbooks for the broker course are found in 876 IAC 2-15-1.
*(Indiana Real Estate Commission; 876 IAC 2-10-4; filed Dec 1, 1989, 5:00 p.m.: 13 IR 654; errata filed Jun 29, 1998, 11:16 a.m.: 21 IR 4215; filed Jun 30, 1999, 2:41 p.m.: 22 IR 3418; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-10-5 Instructors**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**
Sec. 5. Instructors who meet the requirements of 876 IAC 2-3 may teach all subject areas included in this course. It should be noted that very few instructors actually possess the desired level of competency in each and every subject area. For this reason, schools are encouraged to utilize guest lecturers with specialized knowledge and skills in specific areas in addition to the primary instructor.
*(Indiana Real Estate Commission; 876 IAC 2-10-5; filed Dec 1, 1989, 5:00 p.m.: 13 IR 654; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-10-6 Order of subject area presentation**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**
Sec. 6. The order in which subject areas are presented in 876 IAC 2-11-1 and 876 IAC 2-12 is the recommended order. Instructors may make reasonable adjustments in the order of presentation, but should retain a logical order of presentation in any event.
*(Indiana Real Estate Commission; 876 IAC 2-10-6; filed Dec 1, 1989, 5:00 p.m.: 13 IR 654; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-10-7 Major subject area emphasis**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**
Sec. 7. Subject area emphasis by major subject area has been provided in 876 IAC 2-11 in the form of a specific number of classroom hours to be devoted to each major subject area. Instructors may make reasonable adjustments in subject area emphasis to suit their class schedules and individual preference; however, instructors are cautioned against undue overemphasis or underemphasis of topics.
*(Indiana Real Estate Commission; 876 IAC 2-10-7; filed Dec 1, 1989, 5:00 p.m.: 13 IR 654; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-10-8 Competency and instructional levels**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 8. (a) Each major topic established in 876 IAC 2-12 through 876 IAC 2-14 has been assigned a "competency and instructional level" in order to assist the instructor in determining the appropriate relative emphasis and instructional methods for such topics. In some instances where subtopic should be afforded significantly greater or lesser emphasis than that indicated by the level assigned to the major topic under which it is listed, such subtopic has been assigned a different level which applies to that subtopic only.

(b) Competency and instructional levels have been assigned based on the relative importance of the topic and the degree of knowledge or skill needed by real estate brokers with regard to the topic. Instructors are REQUIRED to comply with the assigned competency and instructional levels (and special notes to instructors) when teaching this course.

(c) As used in this section, "competency" refers to the knowledge/ability level expected of students with regard to a particular topic, while the term "instruction" refers to the depth of instruction and the instructional methods which should be utilized.

(d) Shown below are the four (4) competency and instructional levels used in 876 IAC 2-12 through 876 IAC 2-14 and the meaning of each. Level 1 is the lowest level and Level 4 is the highest.

Level 1
Competency: Student should have a general familiarity with topic.
Instruction: Instructor should discuss topic generally; do not cover in depth.

Level 2
Competency: Student should have a good basic knowledge and understanding of topic.
Instruction: Instructor should cover topic in some moderate depth, using examples (as appropriate) to reinforce ideas, principles, and practices. Coverage should be sufficient to assure that students have a firm grasp of the basic facts, principles, and practices associated with the topic.

Level 3
Competency: Student should have a good working knowledge of topic. Student should not only have a good understanding of the basic facts, principles, and practices associated with the topic, but also should be able to apply his/her knowledge to fact situations which will likely be encountered in real estate practice.
Instruction: Instructor should cover topic in depth, using examples (as appropriate) to reinforce ideas, principles, and practices and requiring students to complete practical work assignments (as appropriate) to demonstrate both their ability to apply their knowledge to common fact situations which will be encountered in real estate practice.

Level 4
Competency: Student should have a thorough and complete working knowledge of topic. Student should not only have a thorough, in-depth understanding of the facts, principles, and practices associated with the topic, but should also be able to apply his/her knowledge to a wide variety of fact situations which may be encountered in real estate practice.
Instruction: Instructor should cover topic in depth, using examples (as appropriate) to reinforce ideas, principles, and practices, and requiring students to complete extensive practical work assignments (as appropriate) to demonstrate both their understanding of the topic and their ability to apply their knowledge to a wide variety of fact situations which may be encountered in real estate practice.

*(Indiana Real Estate Commission; 876 IAC 2-10-8; filed Dec 1, 1989, 5:00 p.m.: 13 IR 654; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-10-9 Mathematics instruction**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 9. 876 IAC 2-11 through 876 IAC 2-14 establishes instruction on mathematical functions relating to real estate practice to be provided under the various subject areas involving such mathematical functions rather than as a separate subject area. Consideration was given to the amount of mathematics involved in each subject area when establishing the number of classroom hours for subject areas. This integrated approach is required because it helps assure that students understand how various mathematical functions relate to the various areas of real estate practice. Instruction in basic mathematics concepts such as decimals, fractions, percentages, multiplication, division, etc., is not included in 876 IAC 2-11 through 876 IAC 2-14. If such basic mathematics instruction is to be included in any real estate course, additional time above the minimum required for such course must be provided for such instruction.

*(Indiana Real Estate Commission; 876 IAC 2-10-9; filed Dec 1, 1989, 5:00 p.m.: 13 IR 655; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-10-10 Syllabus copies**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 10. (a) Copies of this rule and 876 IAC 2-11 through 876 IAC 2-14 will be provided free of charge by the Indiana real estate commission to approved schools and instructors. School officials and instructors are asked, however, to limit requests for copies to that number which is actually needed for use by schools and instructors. Schools and instructors may be asked to justify any request for an unusually large number of copies.

(b) The Indiana real estate commission will not provide copies of this rule and 876 IAC 2-11 through 876 IAC 2-14 for student use, although schools and instructors may reproduce all or part of this rule and 876 IAC 2-11 through 876 IAC 2-14 for student use at their own expense, and may charge students for the cost of reproduction.

*(Indiana Real Estate Commission; 876 IAC 2-10-10; filed Dec 1, 1989, 5:00 p.m.: 13 IR 655; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-10-11 Level of instruction**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 11. (a) Although this is a broker course, most of the subject areas covered in this course are also covered in the fundamentals of real estate salesperson course which students will have previously completed. This duplication of material is unavoidable because of the necessity to cover a broad range of real estate topics in the salesperson course. The only subject areas covered in this course which are not covered to some extent in the salesperson course are "Introduction to Real Estate Law", "Securities Law", and the sections of "Federal Income Taxation of Real Estate" relating to investment property. All other subject areas are covered in both courses, although the "competency and instructional

levels" assigned to such subject areas in this course are usually higher than the levels assigned in the salesperson course.

(b) In general, instruction in the broker course should be at a more advanced level than instruction in the salesperson course. Emphasis generally should be on providing students with an in-depth, practical working knowledge of the subject material. Remember, this is an advanced course, not an introductory level course. The two (2) major subject areas that should receive the greatest emphasis in this course are "Real Estate Contracts" and "Closing Real Estate Transactions". The Indiana real estate commission has found that many licensed brokers have an inadequate understanding of real estate contracts and are unable to properly complete form contracts in some situations. Also, license examination performance on closing statement problems has historically been very poor. Consequently, instructors should place substantial emphasis on practice preparation of contracts and closing statements.

*(Indiana Real Estate Commission; 876 IAC 2-10-11; filed Dec 1, 1989, 5:00 p.m.: 13 IR 655; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**Rule 11. Real Estate Broker Course; Major Subject Area Emphasis**

**876 IAC 2-11-1 Major subject area; number of course hours**

**Authority: IC 25-34.1-2-5**

**Affected: IC 25-34.1-5**

Sec. 1. The fundamentals of the real estate broker course are the following:

FUNDAMENTALS OF REAL ESTATE BROKER PRELICENSING COURSE MAJOR SUBJECT AREA EMPHASIS

| Subject Area | Number of Course Hours |
|---|---|
| REAL ESTATE LAW | |
| Introduction to real estate law and course review | 1.0 |
| Property ownership and interests | 1.0 |
| Transfer of title to real property | 1.0 |
| Land use controls | 1.0 |
| Real estate brokerage and the law of agency | 3.0 |
| Real estate contracts | 8.0 |
| Landlord and tenant | 1.0 |
| Closing real estate transactions | 9.0 |
| Federal income taxation of real estate | 3.0 |
| License law; commission rules and trust account guidelines | 5.0 |
| Securities law aspects of real estate transactions | 1.0 |
| REAL ESTATE BROKERAGE OPERATION | |
| Earnest money accounts | 4.0 |
| REAL ESTATE FINANCE | |
| Introduction to real estate finance | 2.0 |
| Sources of mortgage funds | 1.0 |
| The secondary mortgage market | 1.0 |
| Financing instruments | 1.0 |
| Types of mortgage loans | 2.0 |
| Residential loan underwriting | 2.0 |
| Income property loan underwriting | 1.0 |
| Consumer legislation affecting real estate financing | 1.0 |
| Real property valuation | 5.0 |
| Total course hours | 54.0 |

*(Indiana Real Estate Commission; 876 IAC 2-11-1; filed Dec 1, 1989, 5:00 p.m.: 13 IR 656; errata filed Jun 2, 1998, 11:33 a.m.: 21 IR 3940; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**Rule 12. Real Estate Broker Course; Outline**

**876 IAC 2-12-1 Introduction to real estate law**

**Authority: IC 25-34.1-2-5**

**Affected: IC 25-34.1-5**

Sec. 1. (a) The competency and instructional level for scope and purpose of course is Level 1.

(b) The competency and instructional level for subdivisions (1) through (3) is Level 1. The following are concepts of types (sources) of real estate law (Use examples relating to real estate in explaining each type (source) of law.):

(1) Statutory law (arising from the political process) including the following:

(A) Constitutions: federal, i.e., Fifth Amendment, which provides that "no person shall be . . . deprived of life, liberty or property without due process of law; nor shall private property be taken for public use without just compensation".

(B) The following statutes:

(i) Federal, i.e., RESPA: National Housing Act (establishing the FHA), Fair Housing Act, and many others.

(ii) State, i.e., Indiana real estate license law.

(C) Ordinances (county and municipal, i.e., zoning ordinances, fire and building codes).

(2) Administrative law (regulation and rulings of federal and state agencies) including the following:

(A) Federal, i.e., Regulation "Z" implementing the Truth-in-Lending Act, HUD regulations on FHA loans, and many others.

(B) State, i.e., Indiana real estate commission rules and regulations *[this title]*.

(3) Common law (judicial law arising from court decisions), i.e., most real property law, including law regarding estates and interests in real property, methods of owning real property, easements and other rights relating to real property also, agency and contract law, much of which applies to real estate brokerage practice.

*(Indiana Real Estate Commission; 876 IAC 2-12-1; filed Dec 1, 1989, 5:00 p.m.: 13 IR 656; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-12-2 Property ownership and interests**

**Authority: IC 25-34.1-2-5**

**Affected: IC 25-34.1-5**

Sec. 2. (a) The competency and instructional level for subdivisions (1) through (5) is Level 3. The following describes the concept of property:

(1) The "bundle of rights" concept.

(2) Real property.

(3) Personal property.

(4) Lands, minerals, fruits of the soil.

(5) The following fixtures:

(A) Definition.

(B) Criteria for determining if item is a fixture. (Students should be able to apply these criteria to common fact situations.)

(C) Trade and agricultural fixtures.

(D) Effect of Uniform Commercial Code concerning security interests in fixtures.

(b) The competency and instructional level for subdivisions (1), (2)(A)(i)(AA), (2)(A)(i)(CC), (2)(A)(ii)(AA), and (2)(B) is Level 2. The competency and instructional level for subdivisions (2)(A)(i)(BB) and (2)(A)(ii)(BB) is Level 1. The following are concepts of estates in real property:

(1) Definition of "estate".

(2) The following types of estates (characteristics of each):

(A) Freehold estates as follows:

(i) The following estates of inheritance:

(AA) Fee simple.
(BB) Determinable, base, or qualified fee.
(CC) Estate for life of another.
(ii) The following estates not of inheritance (life estates):
(AA) Estate for tenant's own life (conventional life estate).
(BB) Marital life estates.
(B) Nonfreehold (leasehold) estates. (Cover in greater depth in section 7 of this rule.)

(c) The competency and instructional level for subdivisions (1) and (2)(B) through (2)(D) is Level 2. The competency and instructional level for subdivisions (2)(A) and (3) is Level 1. The following are concepts of ownership of real property:
(1) Severalty (sole) ownership.
(2) The following concurrent (joint) ownership (characteristics of each method):
(A) Joint tenancy.
(B) Tenancy in common.
(C) Tenancy by the entirety.
(D) The following hybrid forms of ownership:
(i) Condominium ownership.
(ii) Cooperative ownership.
(iii) Townhouse ownership.
(iv) Time share ownership.
(v) Planned unit development (PUD).
(3) The following ownership by a business organization:
(A) Advantage over ownership by individual(s).
(B) The following types of organizations:
(i) Corporation.
(ii) Partnership (general and limited).
(iii) Syndicate.
(iv) Real estate investment trust (REIT).

(d) The competency and instructional level for subdivisions (1)(A), (1)(C), and (2) through (5) is Level 2. The competency and instructional level for subdivision (1)(B) is Level 1. The following are concepts of encumbrances to real property:
(1) The following liens:
(A) The following specific liens:
(i) Mortgages (deeds of trust). (Mention only, cover in depth under 876 IAC 2-14-3.)
(ii) Real estate tax and assessment liens.
(iii) Mechanics' liens (statutory liens).
(B) The following general liens:
(i) Judgment liens.
(ii) Personal property tax liens.
(iii) State tax liens.
(iv) Federal tax liens.
(C) Lien priority.
(2) Restrictive covenants. (Cover in depth under section 7 of this rule.)
(3) Lis pendens (notice of pending litigation).
(4) The following classifications of easements:
(A) The following classification of easements:
(i) Appurtenant easements.
(ii) Easements in gross.
(B) The following creation of easements (types by method of creation):
(i) Express.
(ii) Implied.
(iii) Arising by operation of law.
(C) Termination of easements.
(D) Party wall (cross easements).
(5) Encroachments.

(e) The competency and instructional level for subdivisions (1) through (3) is Level 2. The following are concepts of appurtenances:
(1) Easements and restrictive covenants.
(2) Riparian rights.
(3) Air and subsurface rights.

(f) The competency and instructional level for subdivisions (1) through (2) is Level 4. The following are concepts of property taxation in Indiana:
(1) The following topics concerning property tax:
(A) Tax rate and calculations.
(B) Property subject to taxation.
(C) Listing property for taxation.
(D) Appraisal and assessment.
(E) Timetable for listing and tax collection.
(F) Property tax lien.
(G) Special priority of tax liens.
(H) Exemptions.
(I) Records.
(J) Payment.
(2) The following special assessments:
(A) By counties.
(B) By cities and towns.
(C) Special assessment liens.

*(Indiana Real Estate Commission; 876 IAC 2-12-2; filed Dec 1, 1989, 5:00 p.m.: 13 IR 657; errata filed Jun 2, 1998, 11:33 a.m.: 21 IR 3940; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-12-3 Transfer of title to real property**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 3. (a) The competency and instructional level for subdivisions (1) through (4) is Level 1. The following are concepts of methods of transferring title:
(1) By descent (interstate succession).
(2) By will.
(3) By voluntary alienation (deed). (Cover in greater depth under subsection (b).)
(4) By voluntary alienation as follows:
(A) Lien foreclosure sale.
(B) Adverse possession.
(C) Escheat.
(D) Eminent domain (condemnation).

(b) The competency and instructional level for subdivisions (1) through (2) is Level 2. The competency and instructional level for subdivision (2)(B) is Level 1. The following are concepts of deeds:
(1) Essential elements of a valid deed.
(2) The following types of deeds (purpose and characteristics of each):
(A) The following types most commonly used in Indiana (Use sample deed form for illustration.):
(i) General warranty deed.
(ii) Special warranty deed.
(iii) Quit claim deed.
(B) Special purpose deeds.

(c) The competency and instructional level for subdivisions (1) through (4) is Level 2. The competency and instructional level for subdivision (5) is Level 1. The following are concepts of title assurance:
(1) Title examination procedures. (If possible, take students on tour of courthouse to view records.)
(2) Title insurance including the following:
(A) Purpose.
(B) The following types of policies:
(i) Owner's policies.
(ii) Mortgagee's (lender's) policy.
(C) Policy coverage.
(D) Cost and procurement.

(3) Abstract of title.
(4) Title recordation including the following:
(A) Purpose.
(B) Documents required to be recorded.
(C) Recording contracts.
(D) Requirements for recordation.
(E) Procedures.
(5) Covenants of title in deeds.
(d) The competency and instructional level for subdivisions (1) through (2) is Level 2. The following are concepts of property description:
(1) Adequacy of descriptions.
(2) Methods of describing real estate including the following:
(A) Metes and bounds.
(B) Government (rectangular) survey system.
(C) Reference to recorded plat (lot and block).
(D) Informal reference, i.e., street address.
(E) Reference to publicly recorded documents.
*(Indiana Real Estate Commission; 876 IAC 2-12-3; filed Dec 1, 1989, 5:00 p.m.: 13 IR 658; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-12-4 Land use controls**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**
Sec. 4. (a) The competency and instructional level for historical development of land use controls is Level 1.
(b) The competency and instructional level for land use control importance to real estate agents is Level 1.
(c) The competency and instructional level for subdivision (1) is Level 3. The competency and instructional level for subdivisions (2) through (7) is Level 1. The following are concepts of public land use controls:
(1) The following zoning classifications (Use actual local zoning ordinances, zoning maps, classification charts, and tables of permitted uses; students should know how to determine the zoning classification and permitted uses for property subject to a zoning ordinance.):
(A) Basis for governmental zoning authority.
(B) Purpose of zoning regulations.
(C) Zoning districts (and codes).
(D) Zoning ordinances.
(E) The following zoning concepts and terms:
(i) Nonconforming use.
(ii) Illegal use.
(iii) Zoning amendments.
(iv) Variance.
(v) Special use permit (or special exception).
(vi) Overlay districts.
(vii) Historic preservation zoning.
(viii) Aesthetic zoning.
(ix) Spot zoning.
(2) Urban and regional planning.
(3) Subdivision regulations.
(4) Building codes.
(5) Highway access controls.
(6) Federal regulation of interstate sales of subdivided lands.
(7) Environmental protection legislation (and regulation).
(d) The competency and instructional level for subdivisions (1) through (3) is Level 3. The following are concepts of privately imposed land use controls (restrictive covenants) (Use typical set of subdivision covenants for illustration.):
(1) Purpose.
(2) Typical matters addressed.
(3) Enforcement.
(e) The competency and instructional level for concepts of government ownership related to land use is Level 1.
*(Indiana Real Estate Commission; 876 IAC 2-12-4; filed Dec 1, 1989, 5:00 p.m.: 13 IR 658; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-12-5 Real estate brokerage and the law of agency**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**
Sec. 5. (a) The competency and instructional level for general agency concepts and definitions is Level 2.
(b) The competency and instructional level for subdivisions (1) through (3) is Level 2. The following are concepts of classification of agency relationships:
(1) Universal.
(2) General.
(3) Special.
(c) The competency and instructional level for subdivisions (1) through (2) is Level 4. The following are concepts of employment and authority of real estate agents:
(1) Brokerage contracts (as source of authority). (Cover listing contracts and property management contracts in detail where subsequently addressed.)
(2) Extent (scope) of agent's authority.
(d) The competency and instructional level for subdivisions (1) through (4) is Level 4. The following are concepts of agency and subagency situations:
(1) Listing with independent broker, i.e., a single broker working alone.
(2) Listing with brokerage firm.
(3) Multiple listing service (or cooperating broker) arrangement.
(4) Buyer-broker relationship.
(e) The competency and instructional level for subdivisions (1) through (3) is Level 4. The following are concepts of duties and liabilities of agents:
(1) Agent's duties to principal including the following:
(A) Loyalty and obedience. (Note potential problems involved with “self-dealing” and “conflict of interest” situations.)
(B) Skill, care, and diligence.
(C) Disclosure (and nondisclosure) of information.
(D) Accounting.
(E) Competence in the particular activity.
(F) Fiduciary responsibilities.
(G) “Prudent Man” rule.
(2) Agent's duties to third persons (buyers/tenants) including the following:
(A) Difference between a “client” and a “customer” in real estate practice.
(B) General duty of “honesty and fairness”.
(C) The following prohibited conduct:
(i) Willful misrepresentation.
(ii) Negligent misrepresentation.
(iii) Willful omission.
(iv) Negligent omission.
(v) Misrepresentation.
(vi) Fraud.
(D) Consumer legislation.
(E) Purchaser's responsibilities.
(F) Tenant's responsibilities.
(G) “Puffing”.
(3) Liabilities and consequences of agent's breach of duties including the following:
(A) Disciplinary action by real estate commission (against agent).

(B) Civil liability of agent.
(C) Criminal liability of agent.
(D) Civil liability of principal (for agent's misconduct).

(f) The competency and instructional level for subdivisions (1) through (3) is Level 3. The following are concepts of duties and liabilities of principals:

(1) Principal's duties to agent including the following:
(A) Good faith.
(B) Compensation.

(2) Principal's duties to third persons. (Note doctrine of caveat emptor and limitations to such doctrine established by consumer protection laws and judicial decisions.)

(3) Liabilities and consequences of principal's breach of duties including the following:
(A) Criminal in some cases.
(B) Civil liability.

*(Indiana Real Estate Commission; 876 IAC 2-12-5; filed Dec 1, 1989, 5:00 p.m.: 13 IR 659; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-12-6 Real estate contracts**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 6. (a) The competency and instructional level for subdivisions (1) through (6) and (10) is Level 4. The competency and instructional level for subdivisions (7) through (8) is Level 1. The competency and instructional level for subdivision (9) is Level 3. The following are concepts of basic contract law:

(1) The following basic contract terms and classifications:
(A) Definition of a contract.
(B) Express/implied.
(C) Bilateral/unilateral.
(D) Executed/executory.
(E) Valid (enforceable)/void (unenforceable)/voidable.

(2) Essential elements of a contract with the following requirements for mutual assent (offer and acceptance):
(A) The offer.
(B) Acceptance.
(C) Counteroffers.
(D) Termination of offers.

(3) The following requirements for reality of consent:
(A) Mistake.
(B) Fraud and misrepresentation.
(C) Duress.
(D) Undue influence.

(4) Contract law and auction sales as follows:
(A) Basic procedures.
(B) “With reserve” versus “without reserve”.

(5) The following statute of frauds (applied to real estate contracts):
(A) Contracts to sell or convey any interest in real property.
(B) Leases of real property exceeding three (3) years in duration.

(6) The following discharge of contracts:
(A) Agreement of the parties.
(B) Full performance.
(C) Impossibility of performance.
(D) Operation of law.

(7) Assignment of contracts.

(8) General rules for interpretation of contracts.

(9) The following contract remedies:
(A) Money damages.
(B) Specific performance.
(C) Recision.

(10) The following other considerations:
(A) Authority to sign as follows:
(i) Competency.
(ii) Age.
(iii) Power of attorney.
(iv) Need for signatures of all parties.
(B) Notary public.
(C) Changing a contract.
(D) “Time is of the essence”.
(E) Abbreviations in contracts.
(F) Blanks in contracts.
(G) Who may write contracts.

(b) The competency and instructional level for subdivisions (1) through (8) is Level 4. The following are concepts of listing contracts and practices:

(1) Definition and purpose of listing contracts.

(2) Broker's entitlement to a commission including the following:
(A) Requisites for establishing claim to a commission as follows:
(i) Broker must be licensed.
(ii) Broker must have a valid employment (listing) contract.
(iii) Broker must (with certain exceptions) qualify under either:
(AA) the “ready, willing, and able” buyer rule; or
(BB) the “procuring cause of sale” rule.
(B) Ready, willing, and able buyer rule.
(C) Procuring cause of sale rule.

(3) The following basic types of listing contracts (characteristics of each):
(A) Open.
(B) Exclusive agency.
(C) Exclusive right to sell.
(D) Protection agreement.

(4) Multiple listing service arrangement. (Use sample pages from local MLS book for illustration of how the MLS lists properties.)

(5) Listing contract provisions including the following (Introduce listing agreement used on state examination.):
(A) Property description.
(B) Listing price and terms of sale.
(C) Broker's duties.
(D) Brokerage fee including the following (including computations):
(i) Percentage of sale price (commission).
(ii) Flat fee.
(iii) Net listing.
(iv) Splitting the fee.
(E) Duration of listing.
(F) “Override” (or “extender”) clause.

(6) Property data sheet including the following:
(A) Purpose and use.
(B) Listing agent's responsibilities.
(C) Determining square footage.
(D) Seller's disclosure of defects.

(7) Termination of listing contracts.

(8) Practice preparation of listing contracts and property data sheets. (Students should be afforded extensive supervised practice in completing form listing contracts and property data sheets. Note the consequences of inadequate or improper preparation of listing contracts and property data sheets.)

(c) The competency and instructional level for subdivision (1) is Level 4. The competency and instructional level for subdivision (2) is Level 2. The competency and instructional level for subdivision (3) is Level 3. The following are concepts of sales contracts and practices:

(1) The offer to purchase including the following (Students should be afforded extensive supervised practice in completing an offer to purchase as used on the state examination including special provisions and modifications by counteroffer, for a variety of fact situations.):

(A) Major contract provisions as follows:
(i) Description of the property (including personal property to be included in the sale).
(ii) Sale price and payment terms.
(iii) Earnest money and possible forfeiture thereof as follows:
(AA) Forms of earnest money.
(BB) Post-dated checks.
(CC) Importance of explaining to buyer and seller the handling of an earnest deposit.
(iv) Type of conveyance and quality of title.
(v) Closing and possession dates.
(vi) Closing expenses and prorations.
(vii) Condition of utilities.
(viii) Condition of property in general.
(ix) Risk of loss.
(x) Wood-destroying insects.
(xi) Contingency provisions as follows:
(AA) Buyer financing.
(BB) Sale of buyer's present home.
(xii) Signature and dates.
(B) Offer, acceptance, and delivery as follows (review of legal requirements as applied to this type of contract):
(i) Handling by telephone.
(ii) Handling by mail.
(iii) Withdrawal of offer.
(C) Submitting offers to sellers; conditional "back-up" offers.
(D) Handling contract modifications and counteroffers.
(E) Furnishing copies of offers and contracts to buyer and seller.
(F) Specific performance.
(G) Disclosure by agent that he represents the buyer, the seller, or both.
(2) Installment land contracts including the following (Use sample form for illustration.):
(A) Definition and purpose.
(B) Typical provisions.
(C) Advantages and disadvantages (from viewpoint of both buyer and seller).
(D) Preparation.
(E) Default and foreclosure.
(F) Voluntary termination.
(G) Recording.
(3) Options to purchase real estate including the following (Use sample form for illustration.):
(A) Definition and purpose.
(B) Rights of parties.
(C) Requirements of options.
(D) Right of first refusal. (Distinguish from "option".)

(d) The competency and instructional level for subdivisions (1) through (6) is Level 3. The following are concepts of property management:
(1) Property description.
(2) Contract period.
(3) Agent's, property manager's fee (including computations).
(4) Agent's authority (powers).
(5) Agent's responsibilities (specific duties).
(6) Handling of security deposits and rents. (Note the handling of security deposits and rents should be covered in depth when covering the real estate commission's "Trust Account Guidelines".)

*(Indiana Real Estate Commission; 876 IAC 2-12-6; filed Dec 1, 1989, 5:00 p.m.: 13 IR 660; errata, 13 IR 1188; errata filed Jun 2, 1998, 11:33 a.m.: 21 IR 3940; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-12-7 Landlord and tenant**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 7. (a) The competency and instructional level for subdivisions (1) through (2) is Level 2. The following are concepts of relationship of landlord and tenant:
(1) Definitions: landlord (lessor), tenant (lessee), lease.
(2) Privity of estate and privity of contract concepts.

(b) The competency and instructional level for subdivisions (1) through (9) is Level 3. The following are concepts of the Residential Rental Agreements Act:
(1) Obligations of landlord and tenant are mutually dependent.
(2) Landlord's statutory duties.
(3) Relationship of the law of negligence.
(4) Tenant's statutory duties.
(5) Retaliatory eviction doctrine.
(6) Tenant prohibited from unilaterally withholding rent.
(7) Tenant security deposit.
(8) Residential eviction remedies.
(9) Constitutional rights of tenants in public housing.

(c) The competency and instructional level for subdivisions (1) through (4) is Level 2. The following are concepts of nonfreehold estates:
(1) Estates for years.
(2) Estates for period to period (periodic tenancies).
(3) Estates at will.
(4) Estates at sufferance.

(d) The competency and instructional level for subdivisions (1) and (4) through (6) is Level 2. The competency and instructional level for subdivisions (2) through (3) is Level 4. The following are concepts of leases:
(1) Types of leases including the following (uses and characteristics of each):
(A) Fixed rental (flat); gross.
(B) Percentage.
(C) Net.
(D) Graduated.
(E) Index.
(F) Reappraisal.
(G) Ground.
(H) Mineral.
(2) Lease forms and preparation.
(3) Common lease provisions including the following (Use the realtor's residential rental contract form for illustration.):
(A) Essential provisions (basically the same as for any contract).
(B) Other common provisions including the following (relating to matters listed below and similar matters):
(i) Tenant's use of premises.
(ii) Fixtures.
(iii) Repairs (nonresidential property).
(iv) Assignments and subleases.
(v) Renewal.
(vi) Option to purchase and right of first refusal.
(vii) Landlord's right to enter during lease term.
(viii) Termination.
(4) Application of statute of frauds and common law.
(5) Recordation of leases.
(6) Effect of lease upon sale of property.

*(Indiana Real Estate Commission; 876 IAC 2-12-7; filed Dec 1, 1989, 5:00 p.m.: 13 IR 662; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-12-8 Closing real estate (sales) transactions**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 8. (a) The competency and instructional level for subdivisions (1) through (3) is Level 4. (The prevalent closing method used in Indiana. Remainder of section on "closing" is based on this method.) The following are concepts of the closing meeting:

(1) Parties present or represented.
(2) Location where meeting is conducted.
(3) Parties responsible for closing.

(b) The competency and instructional level for subdivisions (1) through (10) is Level 4. The following are concepts of preliminaries to closing:

(1) Property survey (usually the buyer's responsibility).
(2) Wood-destroying insect (termite) inspection (usually the seller's responsibility).
(3) Title examination (including personal property lien search and mechanic's lien inquiry) (buyer's responsibility).
(4) Abstract of title or title insurance (variations of responsibility).
(5) Property inspection by buyer.
(6) Clearing of title defects by seller.
(7) Homeowner's or hazard insurance (buyer's responsibility).
(8) Sewage disposal or percolation test (usually the seller's responsibility if such a test is required).
(9) Drafting and review of documents including the following:
(A) Deed (and any other required documents relating to title) (seller's responsibility).
(B) Note and mortgage (deed of trust) (buyer's responsibility).
(C) Bill of sale for personal property (if required) (seller's responsibility).
(D) Closing statement(s) (closing attorney/broker).
(10) Post-closing title search (buyer's responsibility).

(c) The competency and instructional level for items required at closing is Level 4. (Cover the items that must be provided at closing by the buyer and seller, either personally or through their attorney(s).)

(d) The competency and instructional level for subdivisions (1) through (2) is Level 4. The following are concepts of prorations at closing:

(1) The following methods of calculating prorations:
(A) Three hundred sixty (360) day year/thirty (30) day month method.
(B) Three hundred sixty-five (365) day year method.
(C) Actual days in the month method (combines clauses (A) through (B)).
(D) Proration tables, programmed calculators, etc.
(E) Choice of methods (usually determined by local custom and/or agreement of parties).
(2) The following items commonly prorated at closing:
(A) Real estate taxes for current year.
(B) Homeowner's/hazard insurance premiums on assigned policy.
(C) Rents on leased premises.
(D) Interest on assumed mortgage.

(e) The competency and instructional level for subdivisions (1) through (7) is Level 4. The following are concepts of the closing statement:

(1) Purpose and preparation.
(2) Broker's responsibility for closing statements.
(3) Closing statement format (HUD-1 form and others).
(4) Closing statement entries as follows (Students are expected to have a good working knowledge of how to record various closing statement entries that may be required in various situations in accordance with standard practices.):
(A) Explanation of "debit/credit" system.
(B) Double entry items as follows:
(i) Prorations.
(ii) Other nonprorated items.
(C) Single entry items as follows:
(i) Debits (charges) to seller.
(ii) Credits to seller.
(iii) Debits (charges) to buyer.
(iv) Credits to buyer.
(D) Balance due seller.
(E) Balance owed by buyer.
(5) Handling funds at closing.
(6) Practice preparation of closing statements. (Students should be afforded extensive practice in the preparation of closing statements for various hypothetical situations involving varied circumstances. Students should be able to prepare closing statements using the HUD-1 form and other forms which may be commonly used in the local area.)
(7) Requirement for settlement agent to report certain information on residential real estate sales transactions to the Internal Revenue Service (IRS).

(f) The competency and instructional level for subdivisions (1) through (2) is Level 2. The following are concepts of the Real Estate Settlement Act of 1974 (RESPA):

(1) Purpose and applicability.
(2) Basic provisions including the following:
(A) Requires lender to provide prospective borrowers with a copy of the HUD booklet "Settlement Costs and You" and "good faith estimates" of loan closing costs within three (3) business days of the date a loan application is filed.
(B) Lender must use HUD-1 form for all "federally related" mortgage loans.
(C) Upon demand by borrower, lender must permit borrower to examine the closing statement at least one (1) business day prior to closing.
(D) Prohibits lenders from paying "kickbacks" for referrals.
(E) Regulates reserve (impound or escrow) accounts for payment of property taxes and insurance premiums.
(F) Other financing considerations including the following:
(i) Use of gift letters, pledged accounts, etc.
(ii) Second mortgage.

*(Indiana Real Estate Commission; 876 IAC 2-12-8; filed Dec 1, 1989, 5:00 p.m.: 13 IR 662; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-12-9 Federal income taxation of real estate**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 9. (a) The competency and instructional level for subdivisions (1) through (2) is Level 3. The following are concepts of homeownership:

(1) Deductions from income for homeowners including the following:
(A) Real property taxes.
(B) Mortgage interest (limited deduction).
(2) Sale of personal residence including the following (Students should be afforded practice in performing the various computations associated with taxation of gain on the sale of a personal residence.):
(A) Basis and adjusted basis.
(B) Determination of gain or loss.
(C) Nature of gain or loss.
(D) Deferral of taxation on gain ("rollover" provisions).
(E) Exclusion of gain by taxpayers over age fifty-five (55).

(b) The competency and instructional level for subdivisions (1) through (2) is Level 2. The following are concepts of real estate investments (Students should be afforded practice in performing the basic tax computations associated with operating or selling investment real estate, but fact situations should be simple and uncomplicated.):

(1) Real estate operations including the following:

(A) Accounting methods.
(B) Determination of net (taxable) income as follows:
(i) Gross rental income received.
(ii) Deductions for collection losses and operating expenses.
(iii) Deduction for depreciation.
(iv) Losses.
(2) Sale of investment real estate including the following:
(A) Determination of gain or loss.
(B) Taxation of gain or loss.
(c) The competency and instructional level for subdivisions (1) through (4) is Level 1. The following are concepts of special rules:
(1) Installment sales (basic concept).
(2) Like-kind exchange (basic concept).
(3) Vacation homes (basic rules).
(4) Office in home (basic rules).
*(Indiana Real Estate Commission; 876 IAC 2-12-9; filed Dec 1, 1989, 5:00 p.m.: 13 IR 664; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-12-10 Real estate license law, commission rules; trust account guidelines**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**
Sec. 10. In-depth knowledge of the Indiana Real Estate License Laws and Rules booklet is required. The competency and instructional level is Level 4.
*(Indiana Real Estate Commission; 876 IAC 2-12-10; filed Dec 1, 1989, 5:00 p.m.: 13 IR 664; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-12-11 Securities law aspects of real estate transactions**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**
Sec. 11. The competency and instructional level for subdivisions (1) through (5) is Level 1. The following are concepts of federal laws relating to the Securities Act of 1933 and the Securities Exchange Act of 1934:
(1) Basic purpose.
(2) Definition of "security" including the following:
(A) Investment contracts.
(B) Interests in real estate limited partnerships.
(C) Other interests in real estate ownership entities involving "profit sharing arrangements".
(3) Requirements of the Securities Act of 1933 including the following:
(A) Registration of all "securities" with Securities Exchange Commission (SEC) (unless exempt for some reason).
(B) Truthful and complete disclosure of all pertinent facts about the property and transaction.
(C) Right of recision.
(D) Civil liabilities and criminal penalties.
(4) Requirements of the Securities Exchange Act of 1934 including the following:
(A) Persons selling "securities" must have a federal securities license (with certain exemptions).
(B) Most licensing handled by National Association of Securities Dealers (NASD) under authority of the federal law.
(5) Applicability and enforcement of federal securities laws, generally applicable except for certain securities transactions which are wholly "intrastate"; enforced by Securities and Exchange Commission (SEC).
*(Indiana Real Estate Commission; 876 IAC 2-12-11; filed Dec 1, 1989, 5:00 p.m.: 13 IR 664; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-12-12 Real estate mathematics**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**
Sec. 12. (a) The competency and instructional level for real estate mathematics is Level 1 or Level 2. This section is included only for the purpose of listing in one (1) place the types of applied real estate mathematics calculations which students should master in this course. As a practical matter, it will be necessary to cover most of these various mathematics calculations at various points during the course. It is not feasible to cover all real estate mathematics required in the course as a separate subject area, although instructors may wish to have a "review" on real estate mathematics near the end of the course.
(b) It should be noted that the mathematics listed below *[subsections (c) through (d)]* is applied real estate mathematics. This course outline *[this rule]* does not provide for instruction in basic mathematics such as addition, subtraction, multiplication, division, decimals, fractions, or percentages. It is presumed that entering students possess these elementary mathematics skills. Should it be necessary to provide students with remedial instruction in basic mathematics, schools must include additional time for such instruction over and above the minimum time required for this course.
(c) Instructors will note that competency and instructional levels are not assigned to topics in this section. Since all the topics (types of mathematics calculations) listed should be "mastered" by students, it is considered obvious that a working knowledge of these topics is required. Students are still expected to have a working knowledge of the mathematics associated with such topics.
(d) The following are concepts of mathematics calculations:
(1) Brokerage commissions. (Do not devote class time to this topic since it is covered adequately in the salesperson course.)
(2) Estimating net to seller after brokerage fee and other closing expenses are paid (when setting listing price or considering an offer).
(3) Area calculations including the following:
(A) Conversion of acreage to square footage and vice versa.
(B) Calculation of square footage of variously shaped buildings and parcels of land with straight-line sides, including irregularly shaped parcels and buildings (involves application of formulas for calculating the area of squares, rectangles, trapezoids, and right triangles).
(4) Property taxes.
(5) Prorations at closing. (See section on "Closing Real Estate Transactions" *[section 8 of this rule]* for proration methods and items requiring proration.)
(6) Preparation of closing statements. (Note: broker license examination candidates will be required to work an entire closing statement (for both buyer and seller) based on a fact situation and also may be required to work closing statement "mini" problems where, based on summarized data, they are asked to calculate the "net proceeds due seller" or the "balance due from buyer".)
(7) Income tax calculations including the following:
(A) Homeownership as follows:
(i) Calculating "deductions".
(ii) Calculating "adjusted basis".
(iii) Calculations related to the determination of "gain/loss realized".
(iv) Calculations related to the "deferral of gain" in various situations and to the "exclusion of gain" by taxpayers over age fifty-five (55)".
(B) Real estate investments as follows:
(i) Calculating net taxable income/loss on real estate operations.
(ii) Calculating gain/loss on sale of investment real estate.

*(Indiana Real Estate Commission; 876 IAC 2-12-12; filed Dec 1, 1989, 5:00 p.m.: 13 IR 665; errata filed Jun 2, 1998, 11:33 a.m.: 21 IR 3940; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**Rule 13. Real Estate Brokerage Operation**

**876 IAC 2-13-1 Earnest money accounts**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 1. (a) The competency and instructional level for introduction and definition of earnest money accounts is Level 4.

(b) The competency and instructional level for legal requirements of earnest money accounts is Level 4. The following are concepts of legal requirements of earnest money accounts:
(1) Statutory provisions.
(2) Rule provisions.

(c) The competency and instructional level for trust funds is Level 4. The following are concepts of trust funds:
(1) Definition.
(2) Examples including the following:
(A) Earnest money deposits.
(B) Tenant security deposits.
(C) Rents.
(D) Down payments.
(E) Money received as part of final settlement.
(3) Funds that are not trust funds (not to be deposited in escrow account); money from nonreal estate transactions.
(4) Money from transactions in which the broker is not acting as an agent.

(d) The competency and instructional level for trust accounts is Level 4. The following are concepts of trust accounts:
(1) Definition.
(2) Must be a “demand” account.
(3) Purposes of requiring trust accounts.
(4) Opening a trust account including the following:
(A) Must be with an insured bank or savings and loan association in Indiana.
(B) Only one (1) trust account is required, although separate accounts for sales and rentals may be a good idea.
(C) Account must be designated as “trust” or “escrow” account.
(D) Account may be subject to service charges which must be paid by broker. Broker may maintain one hundred dollars ($100) (or amount required) of personal funds in account to cover such charges.
(5) Interest bearing trust accounts including the following:
(A) Note specific requirements which broker must meet.
(B) Investment of trust funds in securities, certificates of deposit, bonds, etc. is prohibited.
(C) Treatment of interest earned.

(e) The competency and instructional level for depositing trust funds is Level 4. The following are concepts related to the deposit of trust funds:
(1) Broker (firm) is the trustee or escrow agent and should be named as such in the appropriate transaction document.
(2) The listing broker in a cobrokered transaction is responsible for the earnest money.
(3) Funds received by a salesperson must be immediately delivered to his/her broker.
(4) Principal broker is strictly responsible for trust accounts and trust funds, regardless of who actually performs the day-to-day work.
(5) Earnest money deposits must be deposited within two (2) banking days following acceptance of the offer to purchase or lease.

(f) The competency and instructional level for disbursing trust funds is Level 4. The following are concepts related to disbursement of trust funds:
(1) Transaction document should state how and when funds will be disbursed. Trust funds may not be used to pay for credit reports, surveys, appraisal fees, or other transaction expenses without the consent of all parties.
(2) Access to trust funds should be limited and carefully controlled.
(3) Disbursement in connection with “sales” transactions including the following:
(A) Upon revocation or rejection of an offer. (Note: a counteroffer is a rejection of the offer.)
(B) The following upon termination (other than closing) of a transaction:
(i) Where there is no dispute between the parties (seller and buyer).
(ii) Where there is a dispute between the parties (seller and buyer).
(C) The following upon closing of a transaction:
(i) Where attorney or lending officer conducts the closing.
(ii) Where broker conducts the closing.
(D) Disbursement of earned brokerage fees.
(4) Disbursement in connection with “rental” (“lease”) transactions including the following:
(A) Rents should be promptly disbursed to property owner.
(B) If so authorized by the property management agreement, broker-property managers may pay property operating expenses (utilities, repairs, maintenance, etc.) from rents received.
(5) Earned brokerage fees should be promptly disbursed from the trust account to the broker's business or general operating account. Disbursement should be made within thirty (30) days of closing (in sales transactions) or receipt of rent (in rental transactions).
(6) Trust account record keeping (bookkeeping) system must show (as a minimum) the following:
(A) Date funds received.
(B) Amount, nature, and purpose of funds and from whom received.
(C) Date funds deposited.
(D) Amount, date, and purpose of each withdrawal and to whom paid.
(E) Current running balance.
(7) Use of a record keeping system involving a general journal and individual ledgers is recommended.
(8) Review records retention requirements of federal and state agencies with the following sources:
(A) Indiana real estate commission.
(B) Internal Revenue Service.
(C) Indiana secretary of state.
(D) Attorney.
(E) Accountant.

(g) Student should be required to work practice trust account record keeping problems during the course as well as on the final course examination.

*(Indiana Real Estate Commission; 876 IAC 2-13-1; filed Dec 1, 1989, 5:00 p.m.: 13 IR 665; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**Rule 14. Real Estate Finance**

**876 IAC 2-14-1 Introduction to real estate finance**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 1. (a) The competency and instructional level for scope and purpose of real estate financing is Level 1.

(b) The competency and instructional level for subdivision (1) is Level 2. The competency and instructional level for subdivisions (2) through (3) is Level 1. The following are concepts of historical development of real estate financing (an overview):

(1) English and American mortgage concepts and practices including the following:
(A) Definitions of basic terms: mortgage, mortgagor/mortgagee, deed of trust, trustee, beneficiary, pledge, security, collateral, etc.
(B) Title theory versus lien theory.
(C) Right (equity) of redemption.
(D) Foreclosure and statutory redemption period.
(2) Predepression real estate financing.
(3) The Depression era including the following:
(A) General economic conditions and effect on real estate market (especially the housing market).
(B) Government intervention as follows:
(i) Federal Home Loan Bank.
(ii) Home Owner's Loan Corporation.
(iii) Federal Housing Administration (FHA).
(iv) Federal Deposit Insurance Corporation (FDIC) and Federal Savings and Loan Insurance Corporation (FSLIC).
(v) Federal National Mortgage Association (FNMA).
(4) The post World War II period including the following:
(A) Growth of the real estate market.
(B) Role of the FHA and the Veterans Administration (VA).
(5) The real estate boom of the 1970s:
(A) Effect of the post World War II "baby boom" on demand for housing.
(B) Effect of increase in the number of two (2) income families and the Equal Credit Opportunity Act (ECOA) on housing demand and ability to borrow.
(C) Effect of inflation on the housing market.
(D) Effect of disintermediation, savings and interest rate problems.
(6) The early 1980s, current practices and trends including the following:
(A) A period of instability and change.
(B) New financing practices.

(c) The competency and instructional level for subdivisions (1) through (2) is Level 1. The following are concepts of real estate financing and the monetary system (an overview):

(1) Financial markets, basic operation including the following:
(A) The money market (short-term funds market).
(B) The capital market (long-term funds market) as follows:
(i) The mortgage market. (Note: covered in more depth under section 2 of this rule.)
(ii) The bond and securities markets.
(2) The role of the Federal Reserve System including the following:
(A) Purpose.
(B) Basic operation.
(C) Effect of Federal Reserve policies on availability of mortgage funds and mortgage interest rates.
(3) The role of the Federal Home Loan Bank board.

*(Indiana Real Estate Commission; 876 IAC 2-14-1; filed Dec 1, 1989, 5:00 p.m.: 13 IR 667; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-14-2 Sources of mortgage funds; primary mortgage market**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 2. (a) The competency and instructional level for subdivisions (1) through (10) is Level 2. The following are concepts of direct sources, mortgage lenders (Explain the role of each in providing various types of mortgage loans on various types of properties.):

(1) Savings and loan associations. (S&L's are the largest single source of mortgage funds, especially for residential loans.)
(2) Commercial banks.
(3) Mutual savings banks.
(4) Mortgage companies (mortgage bankers) (usually originate loans with funds provided by other institutions, such as life insurance companies or parent banks, but some also originate loans with own funds).
(5) Real estate investment trusts (REIT's).
(6) Credit unions (federal and state).
(7) Federal government agencies including the following:
(A) Federal Land Bank (originally a government agency, but now owned by the system of local Federal Land Bank Associations, which are cooperative credit organizations).
(B) Farmers Home Administration (FmHA).
(8) State housing finance agencies.
(9) Mortgage brokers. (Actually, mortgage bankers are not "lenders", but merely "intermediaries" who bring borrowers and lenders together and thus are involved in originating mortgage loans.)
(10) Individual lenders, i.e., sellers.

(b) The competency and instructional level for subdivisions (1) through (6) is Level 2. The following are concepts of indirect sources (mortgage investors) (Explain the role of each in providi ng funds for mortgage loans on various types of properties.):

(1) Life insurance companies. (Some direct loans made, but most are originated through mortgage companies, mortgage brokers, or other lenders using life insurance company funds. The lender "sells" mortgages to the life insurance company.)
(2) Pension, trust, and endowment funds.
(3) Charitable foundations.
(4) Participants in the secondary mortgage market. (Covered in detail in section 3 of this rule.)
(5) State and municipal bonds.
(6) Individual investors (through purchase of mortgage-backed securities).

*(Indiana Real Estate Commission; 876 IAC 2-14-2; filed Dec 1, 1989, 5:00 p.m.: 13 IR 667; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-14-3 Secondary mortgage market**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 3. (a) The competency and instructional level for subdivisions (1) through (4) is Level 2. The following are basic concepts of the secondary mortgage market operation:

(1) Purposes.
(2) Procedures (in general).
(3) "Discounting" to adjust yield; "points".
(4) Advantages to investors, lenders, and borrowers.

(b) The competency and instructional level for subdivisions (1) through (3) is Level 2. The following are concepts of major participants in the secondary mortgage market (Explain the role of each and how each operates.):

(1) Federal National Mortgage Association (FNMA or "Fannie Mae").

(2) Government National Mortgage Association (GNMA or "Ginnie Mae").
(3) Federal Home Loan Mortgages Corporation (FHLMC or "Freddie Mac").

(c) The competency and instructional level for subdivisions (1) through (3) is Level 3. The following are concepts of private mortgage insurance:
(1) Purposes.
(2) Typical coverages and conditions.
(3) Mortgage Guaranty Insurance Corporation (MGIC).

*(Indiana Real Estate Commission; 876 IAC 2-14-3; filed Dec 1, 1989, 5:00 p.m.: 13 IR 668; errata filed Jun 2, 1998, 11:33 a.m.: 21 IR 3940; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-14-4 Financing instruments**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 4. (a) The competency and instructional level for subdivisions (1) through (4) and (6) is Level 2. The competency and instructional level for subdivision (5) is Level 3. The following are concepts of the mortgage note:
(1) Definition.
(2) Essential elements including the following:
(A) Promise to pay a fixed sum.
(B) Terms of payment.
(C) Signature of obligor (borrower).
(3) Special note provisions including the following:
(A) Acceleration clause.
(B) Prepayment (penalty) clause.
(C) Due-on-sale clause.
(4) Negotiability of note.
(5) Principal and interest (debt service) including the following:
(A) Definitions.
(B) Basic computations.
(C) Use of amortization tables. (Note: students should be afforded considerable practice using amortization tables.)
(D) Usury laws.
(6) Payment (amortization) plans including the following:
(A) Constant or level payment plan.
(B) Variable (or adjustable) interest rate plan.
(C) Graduated payment plan.
(D) Balloon payment plan.
(E) Term loan.
(F) "Budget" plan.

(b) The competency and instructional level for subdivisions (1) through (3) is Level 2. (Use sample form for illustration.) The following are concepts of the mortgage instrument:
(1) Distinction between a mortgage and deed of trust.
(2) Parties to mortgages.
(3) Essential elements including the following:
(A) Must be in writing (statute of frauds).
(B) Mortgagor-owner must have contractual capacity.
(C) Mortgagor-owner must have a valid interest in the property.
(D) A valid debt (to be secured by the mortgage) must exist.
(E) Valid legal description of property.
(F) Mortgaging clause.
(G) Mortgagor's/owner's signature.
(H) Delivery and acceptance.

(c) The competency and instructional level for subdivisions (1) through (2) is Level 2. The following are concepts of rights of mortgage lenders:
(1) Right to foreclosure including the following:
(A) Foreclosure methods.
(B) Power of sale (nonjudicial).
(C) Strict.
(2) Right to transfer (assign) the mortgage.

(d) The competency and instructional level for subdivisions (1) through (2) is Level 2. The following are concepts of rights of borrowers:
(1) Right to possession.
(2) Right (equity) of redemption.

(e) The competency and instructional level for subdivisions (1) through (3) is Level 3. The following are concepts of sales of mortgaged property (Explain procedures and legal effect of each of the sales below.):
(1) Cash sale (existing mortgage paid off and new mortgage obtained, if necessary).
(2) Sale with assumption of existing mortgage; release of liability and restoration of benefits on VA mortgage.
(3) Sale subject to existing mortgage.

(f) The competency and instructional level for subdivisions (1) through (2) is Level 2. The following are concepts of mortgage priorities:
(1) Effect and importance of recordation.
(2) Subordination of mortgages.

*(Indiana Real Estate Commission; 876 IAC 2-14-4; filed Dec 1, 1989, 5:00 p.m.: 13 IR 668; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-14-5 Types of mortgage loans; financing methods**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 5. (a) The competency and instructional level for subdivisions (1) through (3) is Level 3. The following are concepts of major types of mortgage loans (Cover basic definitions; characteristics and uses; the major types of payment plans in common use; the major loan programs (for FHA and VA mortgages); and basic qualification requirements for various types of loans. Use examples extensively.):
(1) Conventional.
(2) Federal Housing Administration (FHA).
(3) Veterans Administration.

(b) The competency and instructional level for subdivisions (1) through (12) is Level 3. The following are concepts of other types of financing methods (Cover basic definitions, characteristics, and uses. Use examples.):
(1) Purchase money.
(2) Farmers Home Administration (FmHA).
(3) Development.
(4) Construction.
(5) Bridge or interim.
(6) Open end.
(7) Blanket.
(8) Package.
(9) Equity participation (shared appreciation).
(10) Reverse annuity.
(11) Leasehold.
(12) Wraparound.

(c) The competency and instructional level for subdivisions (1) through (4) is Level 2. The following are concepts of special financing methods:
(1) Installment land contract.
(2) Sale; leaseback.
(3) Ground lease.
(4) Syndication.

*(Indiana Real Estate Commission; 876 IAC 2-14-5; filed Dec 1, 1989, 5:00 p.m.: 13 IR 669; errata filed Jun 2, 1998, 11:33 a.m.: 21 IR 3940; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-14-6 Residential loan underwriting**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 6. (a) The competency and instructional level for initial interview and loan application is Level 3. (Note: the applicability of the underwriting procedures listed below to all three (3) major types of residential loans (conventional, FHA, and VA) should be discussed in some depth.)

(b) The competency and instructional level for subdivisions (1) through (4) is Level 3. The following are concepts of borrower analysis:

(1) Credit characteristics (history).
(2) Adequacy of assets (to close the transaction).
(3) Stability of income (employment).
(4) Adequacy of income. (Students should be afforded extensive practice in applying these ratios. Acceptable income/expense ratios.)

(c) The competency and instructional level for subdivisions (1) through (2) is Level 3. The following are concepts of property analysis:

(1) Appraisal (determination of market value). (Note: The subject of property valuation (appraisal) is covered separately in section 10 of this rule.)
(2) Status of title (title examination).

(d) The competency and instructional level for subdivisions (1) through (4) is Level 3. The following are concepts of loan analysis:

(1) Loan-to-value ratio. (Students should be able to perform basic calculations.)
(2) Interest rate/discount points. (Students should be able to compute "yield" and dollar amount of points.)
(3) Loan term.
(4) Availability of mortgage insurance (or guaranty).

(e) The competency and instructional level for underwriting decision and loan commitment is Level 3 (including firm, conditional, and takeout commitments).

*(Indiana Real Estate Commission; 876 IAC 2-14-6; filed Dec 1, 1989, 5:00 p.m.: 13 IR 669; errata filed Jun 2, 1998, 11:33 a.m.: 21 IR 3940; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-14-7 Income property loan underwriting**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 7. (a) The competency and instructional level for subdivisions (1) through (4) is Level 1. The following are concepts of income loan underwriting for existing property (project); factors examined:

(1) Borrower's credit history.
(2) Financial statements of the property (project); profitability.
(3) Property type, characteristics, and value.
(4) Loan terms.

(b) The competency and instructional level for new or proposed property (project) is Level 1. (Generally the same factors are examined as for an existing property except that financial statements are not available; thus, lenders rely on information obtained through a comprehensive market/economic feasibility study in making their decision.)

*(Indiana Real Estate Commission; 876 IAC 2-14-7; filed Dec 1, 1989, 5:00 p.m.: 13 IR 670; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-14-8 Consumer legislation affecting real estate financing**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 8. (a) The competency and instructional level for subdivisions (1) through (4) is Level 2. The following are concepts of the Truth-in-Lending Act and Truth-in-Lending Simplification and Reform Act of 1980 (effective October 1, 1982); also "Regulation Z" of the Federal Reserve Board which implements truth-in-lending laws:

(1) Basic purpose.
(2) Disclosure of credit information including the following:
(A) Chief disclosures: annual percentage rate (APR), finance charge, amount financed, and total of payments.
(B) Other disclosures: payment schedule, "demand feature" (if any), variable interest rate (if applicable), prepayment penalties, late payment charges, credit insurance, loan assumption policy, and required escrow deposits (for taxes and insurance).
(C) Timing of disclosures.
(3) Applicability to "arrangers of credit". (Note: Real estate brokers in arranging seller financing are not considered "arrangers of credit" under the current federal regulations.)
(4) Disclosure of credit terms in advertising the sale of real estate. (General rule: If any specific credit terms are included in the advertisement, then all credit terms, i.e., APR, down payment, repayment terms, must also be included. This requirement applies to real estate brokers as well as others advertising real estate for sale.)

(b) The competency and instructional level for subdivisions (1) through (2) is Level 1. The following are concepts of the Equal Credit Opportunity Act (implemented by Regulation B of the Federal Reserve Board):

(1) Basic purpose.
(2) Basic provisions and requirements: prohibits creditors from discriminating against credit applicants based on the applicant's race, color, religion, national origin, sex, marital status, age, or certain other secondary characteristics.

*(Indiana Real Estate Commission; 876 IAC 2-14-8; filed Dec 1, 1989, 5:00 p.m.: 13 IR 670; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-14-9 Real property valuation; appraisal**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 9. (a) The competency and instructional level for subdivisions (1) through (5) is Level 3. The following are basic appraisal concepts:

(1) Definition of "appraisal" including the following:
(A) Who can perform?
(B) Liability.
(2) Valuation versus evaluation including the following:
(A) Valuation-market value estimate.
(B) Evaluation as follows:
(i) Economic feasibility study.
(ii) Land utilization study.
(3) Concepts of value including the following:
(A) Value in use.
(B) Value in exchange.
(C) "Value" versus "cost" and "price".
(D) Kinds of property value (based on use of the value estimate) as follows:
(i) Market value.
(ii) Loan value.
(iii) Assessed value.
(iv) Insured value.
(v) Book value.
(4) Forces and factors influencing property value including the following:
(A) Social ideas and standards.
(B) Economic forces.
(C) Government activities.
(D) Physical or environmental forces.
(5) Basic economic principles of value including the following:
(A) Supply and demand.

(B) Anticipation.
(C) Substitution.
(D) Conformity.
(E) Contribution.
(F) Competition.
(G) Change.
(H) Highest and best use. (Use example for illustration.)

(b) Due to the complexity pertaining to approaches to value (appraisal methods) the competency and instructional level for subdivisions (1) through (4) are noted separately in each subdivision. The following are concepts of approaches to value:

(1) Market data approach including the following (also called direct sales comparison approach) (Level 4 students should be afforded practice in the use of this approach for estimating the value of residential properties.):
(A) Definition and general use.
(B) Procedures as follows:
(i) Find recently sold comparable properties ("comparables") as follows:
(AA) A minimum of three (3) or four (4) is preferable.
(BB) Sources include MLS records, other brokers, broker's own records, sellers, recorded deeds, tax records.
(ii) Identify and analyze sales and property data as follows:
(AA) Sales data includes sale price, terms of sale, and date of sale.
(BB) Property data includes location, size, type, and quality of construction, age, condition, and all other major property characteristics.
(iii) Adjust the sale prices of comparables to reflect differences between them and the subject property with respect to property and sales data.
(iv) Correlate the adjusted sale prices of comparables to derive estimate of value for subject property.

(2) Cost approach including the following (Level 3 except as indicated below):
(A) Definition and general use.
(B) Estimate of land (lot) value. (Determine by using market data approach.)
(C) Estimating building costs as follows:
(i) Reproduction cost versus replacement cost.
(ii) Methods of estimating reproduction or replacement cost as follows (Level 1: subitems (AA),(BB),(DD); Level 3: subitems (CC) and (EE)):
(AA) Quantity survey method (most complex and most accurate method).
(BB) Unit-in-place method.
(CC) Square foot (comparative) method (simplest and most widely used method by appraisers).
(DD) Use of construction cost services (published estimates of building costs).
(EE) Market abstraction method (same concept as used with market data approach; new, recently sold properties are used).
(iii) Depreciation as follows (Level 2 except as noted):
(AA) Definition and basic concepts, such as "effective age" and "effective life".
(BB) Depreciation methods as follows: Age/life (straight-line) method (Level 3); market abstraction method; breakdown method: physical deterioration (curable and incurable), functional obsolescence (curable and incurable), economic obsolescence (incurable only).
(D) Formulating the opinion of value (estimated reproduction/replacement cost less (-) estimated depreciation plus (+) estimated value of land equals (=) indication of value).

(3) Income approach including the following (Level 3 except as noted below):
(A) Definition and general use.
(B) Gross rent multiplier (GRM) method as follows:
(i) Obtain sales price and gross income (rent) data on recently sold similar (comparable) properties. (Also record property and other sales data for comparative purposes.)
(ii) Derive gross rent multiplier for each comparable (sales price divided by gross income equals gross rent multiplier).
(iii) Correlate data to determine appropriate gross rent multiplier.
(iv) Derive estimate of subject property's value (gross rent multiplier multiplied by gross income of subject equals indicated value of subject).
(C) Capitalization of income method as follows:
(i) Estimate gross income based on "market rent".
(ii) Derive net operating income estimate by deducting projected vacancy and collection losses and operating expenses from gross income projection. (Note: Operating expenses include items such as property taxes, property insurance, maintenance and repair, management salaries, commissions, and replacement reserve. Items such as book depreciation, debt service, and capital improvements are not operating expenses.)
(iii) Derive capitalization rate by either subitem (AA) or (BB) as follows:
(AA) Market abstraction. (Sales concept as used with market data approach and GRM method. This is most commonly used method.)
(BB) Other methods such as "band of investment method", "build-up method", or "mortgage equity method". (These are beyond the scope of this course. Mention only, do not cover.)
(iv) Derive estimate of property value (value equals net operating income divided by capitalization rate).
(v) Discounted cash flow analysis. (Also called "present value analysis" may be used in connection with the capitalization of income, i.e., rentals from leases to be received at some future time.) (Use present value tables in connection with examples and problems on this topic.)

(4) Reconciliation of the three (3) approaches to value including the following:
(A) Assign appropriate "weight" to value indicated by each approach according to the reliability of each approach for the particular subject property.
(B) Derive final conclusion (estimate) of value.

*(Indiana Real Estate Commission; 876 IAC 2-14-9; filed Dec 1, 1989, 5:00 p.m.: 13 IR 671; errata filed Jun 2, 1998, 11:33 a.m.: 21 IR 3940; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-14-10 Real estate finance and appraisal mathematics**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 10. (a) The competency and instructional level for real estate finance and appraisal mathematics is Level 2. This section is included only for the purpose of listing in one (1) place the types of applied real estate finance and related mathematics calculations which students should master in this course. As a practical matter, it will be necessary to cover most of these various mathematics calculations at various points during the course. It is not feasible to cover all real estate finance and related mathematics required in the course as a separate subject area, although instructors may wish to have a "review" on real estate finance mathematics near the end of the course.

(b) It should be noted that the mathematics listed below is applied real estate finance and related mathematics. This course outline does not provide for instruction in basic mathematics concepts such as addition,

subtraction, multiplication, division, decimals, fractions, or percentages. It is presumed that entering students possess these elementary mathematics skills. Should it be necessary to provide students with remedial instruction in basic mathematics, schools must include additional time for such instruction over and above the minimum time required for this course.

(c) Instructors will note that competency and instructional levels are not assigned to topics in this section. Since all the topics (types of mathematics calculations) listed should be "mastered" by students, it is considered obvious that a working knowledge of these topics is required. Students are still expected to have a working knowledge of the mathematics associated with such topics.

(d) The following are concepts of applied real estate finance and related mathematics calculations:

(1) Financial calculations including the following:
(A) Simple interest (how to compute monthly interest and amount of interest paid over life of a fixed-rate loan).
(B) Debt service/mortgage debt reduction (how to use amortization tables and how to compute principal balance for a point in time, given previous principal balance, monthly payment, and interest rate, without amortization tables).
(C) Loan origination fees and discount points.
(D) Loan value (applying loan-to-value ratios).
(E) Yields on mortgage loans (including loans involving discount points and wraparound mortgages).
(F) Qualifying a buyer.

(2) Appraisal mathematics including the following:
(A) Calculations involved with market data approach as follows:
(i) Adjustments to sale prices of comparables.
(ii) Calculating estimate of value.
(B) Calculations involved with cost approach as follows:
(i) Determining cost per square foot.
(ii) Calculating depreciation by straight-line method.
(iii) Calculating estimate of value.
(C) Calculations involved with income approach as follows:
(i) Determining and applying gross rent multiplier.
(ii) Deriving net operating expenses.
(iii) Capitalization of income (calculating estimate of value).
(iv) Computing present value (discounted cash flow analysis).

*(Indiana Real Estate Commission; 876 IAC 2-14-10; filed Dec 1, 1989, 5:00 p.m.: 13 IR 672; errata filed Jun 2, 1998, 11:33 a.m.: 21 IR 3940; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**Rule 15. Real Estate Broker Course; Required Instructional Materials**

**876 IAC 2-15-1 Required instructional materials**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-5**

Sec. 1. (a) The Indiana real estate license law booklet, which is available without charge from the Indiana real estate commission, is required instructional material for the real estate broker course.

(b) Schools may also use such other textbooks and materials for instructional purposes that are appropriate and useful in teaching the broker curriculum provided for in 876 IAC 2-10 through 876 IAC 2-14.

*(Indiana Real Estate Commission; 876 IAC 2-15-1; filed Dec 1, 1989, 5:00 p.m.: 13 IR 673; filed Jul 25, 1991, 3:30 p.m.: 14 IR 2257; filed Jun 30, 1999, 2:41 p.m.: 22 IR 3418; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-15-2 Approved textbooks *(Repealed)***

Sec. 2. *(Repealed by Indiana Real Estate Commission; filed Jul 25, 1991, 3:30 p.m.: 14 IR 2257)*

**876 IAC 2-15-3 Resource and supplemental course materials *(Repealed)***

Sec. 3. *(Repealed by Indiana Real Estate Commission; filed Jul 25, 1991, 3:30 p.m.: 14 IR 2257)*

**Rule 16. Licensure; Miscellaneous Educational and Experience Provisions**

**876 IAC 2-16-1 Broker license; experience requirement and waiver**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-3-4.1; IC 25-34.1-9-19**

Sec. 1. (a) Referral status under IC 25-34.1-9-19(2) does not qualify as accrued continuous active experience as a licensed salesperson as required under IC 25-34.1-3-4.1(a)(2).

(b) To qualify for a waiver of the requirement under IC 25-34.1-3-4.1(a)(2) of one (1) year experience immediately preceding the application as a licensed salesperson in Indiana, an applicant for a broker license must have at least two (2) years of experience within the previous five (5) years as a salesperson or broker in Indiana or any other state requiring licensure.

*(Indiana Real Estate Commission; 876 IAC 2-16-1; filed Dec 9, 1988, 1:25 p.m.: 12 IR 935, eff Jan 8, 1989; errata filed Dec 21, 1988, 3:45 p.m.: 12 IR 1209; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; filed May 27, 2003, 11:00 a.m.: 26 IR 3342; readopted filed Dec 1, 2009, 9:14 a.m.: 20091223-IR-876090785RFA)*

**876 IAC 2-16-2 Real estate school instructors; education requirement for licensure**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-3-3.1; IC 25-34.1-3-4.1**

Sec. 2. (a) An individual who has taught a broker course approved under this article, and who subsequently applies for a broker license shall be deemed to have successfully completed the course under IC 25-34.1-3-4.1.

(b) An individual who has taught a salesperson course approved under this article, and who subsequently applies for a salesperson license shall be deemed to have successfully completed the course under IC 25-34.1-3-3.1.

(c) The one (1) year limitation contained in 876 IAC 2-17-1(c) applies to the completion of the broker or salesperson course under subsections (a) through (b).

*(Indiana Real Estate Commission; 876 IAC 2-16-2; filed Dec 9, 1988, 1:25 p.m.: 12 IR 935, eff Jan 8, 1989; errata filed Dec 21, 1988, 3:45 p.m.: 12 IR 1209; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**Rule 17. Examinations**

**876 IAC 2-17-1 Requirements for admission to examination**
**Authority: IC 25-34.1-2-5**
**Affected: IC 25-34.1-3-3.1; IC 25-34.1-3-4.1**

Sec. 1. (a) Prior to sitting for the salesperson examination, an applicant for a salesperson license must have completed the educational requirements established by IC 25-34.1-3-3.1(a)(2) and this article.

(b) Prior to sitting for the broker examination an applicant for a broker license must have completed the educational requirements established by IC 25-34.1-3-4.1(a)(3) and this article.

(c) An applicant who does not pass the applicable examination within one (1) year of completion of the salesperson or broker course must again comply with the educational requirements established by IC 25-

34.1-3-3.1(a)(2) or IC 25-34.1-3-4.1(a)(3) and this article before being entitled to any further taking of the examination. This subsection does not apply to an applicant for a salesperson license who met the educational requirements by successful completion of college or university courses in the principles, practices, and law of real estate as provided for in IC 25-34.1-3-3.1(a)(2).

(d) Notwithstanding subsection (c), an applicant who completed the salesperson or broker course before January 1, 1989, has until December 31, 1989, to pass the examination without having to again comply with the educational requirements.

*(Indiana Real Estate Commission; 876 IAC 2-17-1; filed Dec 9, 1988, 1:25 p.m.: 12 IR 936, eff Jan 8, 1989; errata filed Dec 21, 1988, 3:45 p.m.: 12 IR 1209; errata filed May 15, 1989, 2:20 p.m.: 12 IR 1907; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-17-2 Application for examination; fee**

**Authority: IC 25-1-8-2; IC 25-34.1-2-5**

**Affected: IC 25-34.1-3-3.1; IC 25-34.1-3-4.1**

Sec. 2. Applicants for licensure as a broker or salesperson who have completed all requirements for licensure except passing the applicable examination may take the examination upon payment of the applicant's cost of purchasing the examination, payable to the examination service.

*(Indiana Real Estate Commission; 876 IAC 2-17-2; filed Dec 9, 1988, 1:25 p.m.: 12 IR 936, eff Jan 8, 1989; errata filed Dec 21, 1988, 3:45 p.m.: 12 IR 1209; filed Oct 23, 1990, 1:48 p.m.: 14 IR 450; filed Dec 6, 1994, 4:57 p.m.: 18 IR 1285; filed Jun 21, 1996, 10:00 a.m.: 19 IR 3111; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 2-17-3 Examinations; passing score**

**Authority: IC 25-34.1-2-5**

**Affected: IC 25-34.1-3-3.1; IC 25-34.1-3-4.1**

Sec. 3. (a) The broker and salesperson examinations shall be standardized examinations for the testing of real estate brokers and salespersons. The examination required of all applicants for licensure as a broker or salesperson shall be divided into the following two (2) sections:

(1) General real estate practices.

(2) Indiana licensure law.

(b) Applicants for licensure by reciprocity shall only be required to take and pass the Indiana licensure section of the broker or salesperson exam, whichever is applicable.

(c) The examination will be electronically administered by the commission's duly appointed agent. However, individuals who are unable to take the electronically administered examination because of a disability may apply to take it on paper.

(d) An applicant shall be deemed to have passed the examination upon attaining a score of at least seventy-five percent (75%) on each section.

(e) If the applicant passes one (1) section of the examination, the applicant is credited for the section the applicant has passed and is not required to retake the section of the examination unless the applicant is retaking the examination after having to again comply with the education requirement in section 1(c) of this rule.

*(Indiana Real Estate Commission; 876 IAC 2-17-3; filed Dec 9, 1988, 1:25 p.m.: 12 IR 936, eff Jan 8, 1989; errata filed Dec 21, 1988, 3:45 p.m.: 12 IR 1209; filed Dec 6, 1994, 4:57 p.m.: 18 IR 1286; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; filed Aug 15, 2001, 9:50 a.m.: 25 IR 102, eff Oct 1, 2001; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**Rule 18. Fee Schedule**

**876 IAC 2-18-1 Fee schedule**

**Authority: IC 25-1-8-2; IC 25-34.1-2-5; IC 25-34.1-2-6**

**Affected: IC 25-34.1-3-3.1; IC 25-34.1-3-4.1; IC 25-34.1-8-7.5**

Sec. 1. (a) The fee schedule is as follows:

(1) Application for real estate salesperson license $25

(2) Application for real estate broker license $50

(3) Renewal of real estate salesperson license $25

(4) Renewal of real estate broker license $50

(5) Transfer of license $10

(6) Activation of inactive license $10

(7) Application for continuing education course sponsor $50

(8) Renewal of continuing education course sponsor $50

(b) In addition to the fees required under IC 25-34.1-3-3.1 and IC 25-34.1-3-4.1, subsection (a), the commission shall charge and collect the following fees which shall be nonrefundable and nontransferable, for the investigative fund under IC 25-34.1-8-7.5 for the issuance and renewal of a:

(1) Real estate salesperson license $10

(2) Real estate broker license $10

(c) All fees charged and collected under this rule shall be nonrefundable and nontransferable.

*(Indiana Real Estate Commission; 876 IAC 2-18-1; filed Aug 12, 2004, 10:12 a.m.: 28 IR 213, eff Oct 1, 2004; readopted filed Nov 17, 2010, 10:01 a.m.: 20101215-IR-876100411RFA; filed Feb 17, 2012, 10:40 a.m.: 20120314-IR-876110325FRA)*

## ARTICLE 4. REAL ESTATE CONTINUING EDUCATION

### Rule 1. Sponsors of Courses; Approval

**876 IAC 4-1-1 Sponsors; approval**
**Authority: IC 25-34.1-9-21**
**Affected: IC 25-34.1-5**

Sec. 1. (a) Credit for fulfillment of the continuing education requirement will be granted only to licensees who have successfully completed courses offered by sponsors approved by the commission.

(b) Continuing education course sponsor approval may be granted by the commission upon application to those schools offering approved broker or salesperson courses under IC 25-34.1-5 or to schools only offering continuing education courses.

*(Indiana Real Estate Commission; 876 IAC 4-1-1; filed Dec 1, 1993, 10:30 a.m.: 17 IR 765; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 4-1-2 Application for sponsor of continuing education courses**
**Authority: IC 25-34.1-9-21**
**Affected: IC 25-34.1-5**

Sec. 2. (a) Applicants for sponsor approval who do not conduct salesperson or broker courses under IC 25-34.1-5 shall submit the following information:

(1) The:
(A) name;
(B) address;
(C) telephone number, and
(D) facsimile (FAX) number (if any)
of the sponsor.

(2) The name, address, and resume of the school director responsible for real estate administrative matters such as the following:
(A) Program development.
(B) Scheduling of classes.
(C) Advertising.
(D) Maintaining facilities and equipment.
(E) Record keeping.
(F) General supervision of the instructional program.

(3) If the ownership of the sponsor is a partnership, the names and addresses of the partners.

(4) If the ownership of the sponsor is a corporation, the names and addresses of the officers and directors.

(5) If the ownership of the sponsor is a limited liability company, the names and addresses of the members and managers.

(b) All applicants for continuing education course sponsorship approval shall submit the following:

(1) A course content outline describing the subjects to be offered during the approval period.

(2) The name, address, and resume of course instructors, and a statement that each instructor meets the qualifications required by section 8 of this rule.

(3) A statement that the sponsor shall provide the licensee who successfully completes an approved course, a certificate of course completion indicating the following:
(A) The name, address, and signature of the sponsor.
(B) The name, address, and license number of the attendee.
(C) The title of the course.
(D) The course location.
(E) The date of the course.
(F) The number of continuing education credit hours completed.

(4) A statement that:
(A) the sponsor shall conduct an instructor and course evaluation; and
(B) they shall be provided to the commission upon request.

(5) Application fee established in 876 IAC 2-18-1.

*(Indiana Real Estate Commission; 876 IAC 4-1-2; filed Dec 1, 1993, 10:30 a.m.: 17 IR 765; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA; filed Feb 17, 2012, 10:40 a.m.: 20120314-IR-876110325FRA)*

**876 IAC 4-1-3 Significant changes**
**Authority: IC 25-34.1-9-21**
**Affected: IC 25-34.1**

Sec. 3. (a) Any significant changes in the operation of the approved sponsor must be approved by the commission prior to the effective date of the change. Any change in the course outline must be approved by the commission prior to the course being offered or given. The commission shall review the changes to determine whether or not the sponsor shall continue to be approved.

(b) Significant changes shall include the following:

(1) Change in ownership of the sponsor, including changes in the officers and directors of the corporation.

(2) A new school director.

(3) A new instructor.

(4) Any change in course outline.

(c) Once a continuing education instructor and course outline have been approved through the continuing education sponsor, the instructor and the course outline are approved for all continuing education sponsors. It shall be the responsibility of the continuing education sponsor to ensure that the commission has previously approved the course outline.

(d) Notwithstanding subsection (b)(3), an instructor who has already been approved under this section or section 2 of this rule for another approved sponsor shall not be considered a new instructor.

*(Indiana Real Estate Commission; 876 IAC 4-1-3; filed Dec 1, 1993, 10:30 a.m.: 17 IR 766; filed Jun 14, 1995, 11:00 a.m.: 18 IR 2790; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; filed Aug 15, 2001, 9:50 a.m.: 25 IR 103; filed Oct 28, 2002, 12:01 p.m.: 26 IR 791; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 4-1-4 Course availability**
**Authority: IC 25-34.1-9-21**
**Affected: IC 25-34.1**

Sec. 4. All continuing education courses shall be available to all licensees; however, a course may be limited to brokers or salespersons only.

*(Indiana Real Estate Commission; 876 IAC 4-1-4; filed Dec 1, 1993, 10:30 a.m.: 17 IR 766; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 4-1-5 Sponsor renewal**
**Authority: IC 25-34.1-9-21**
**Affected: IC 25-34.1-9-14**

Sec. 5. (a) Under IC 25-34.1-9-14(a), a sponsor of a salesperson level continuing education course shall submit by December 1 of each odd-numbered year the following information to request approval renewal:

(1) A letter requesting such renewal.

(2) A renewal fee established in 876 IAC 2-18-1.

(b) Under IC 25-34.1-9-14(b), a sponsor of broker level continuing education courses shall submit by December 1 of each even-numbered year the following information to obtain approval renewal:

(1) A letter requesting such renewal.

(2) A renewal established in 876 IAC 2-18-1.
*(Indiana Real Estate Commission; 876 IAC 4-1-5; filed Dec 1, 1993, 10:30 a.m.: 17 IR 766; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA; filed Feb 17, 2012, 10:40 a.m.: 20120314-IR-876110325FRA)*

**876 IAC 4-1-6 Facilities**
**Authority: IC 25-34.1-9-21**
**Affected: IC 25-34.1-5**
Sec. 6. (a) No course shall be conducted in a facility that is also used as a broker or salesperson office, except for an approved distance learning continuing education program.
(b) Courses shall be taught in a facility with adequate:
(1) space;
(2) seating;
(3) equipment; and
(4) instructional material;
to accommodate the number of students enrolled.
(c) The premises, equipment, and facilities shall comply with all:
(1) local;
(2) city;
(3) county;
(4) state; and
(5) federal;
regulations, such as fire, building, and sanitation codes and handicap accessibility.
(d) Any facility previously approved for broker or salesperson courses under IC 25-34.1-5 shall be deemed satisfactory.
*(Indiana Real Estate Commission; 876 IAC 4-1-6; filed Dec 1, 1993, 10:30 a.m.: 17 IR 766; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; filed Mar 2, 2006, 4:10 p.m.: 29 IR 2198, errata filed Mar 7, 2006, 9:50 a.m.: 29 IR 2203; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 4-1-7 School directors**
**Authority: IC 25-34.1-9-21**
**Affected: IC 25-34.1-5**
Sec. 7. (a) Each continuing education course sponsor, upon application for continuing education course sponsor approval, shall designate one (1) individual as its school director.
(b) A continuing education course sponsor is prohibited from hiring or retaining in its employ, a school director who:
(1) has had real estate license revoked or suspended by any jurisdiction;
(2) has been convicted of a crime which has a direct bearing on the individual's ability to competently be a school director, including, but not necessarily limited to, violations of real estate laws and abuse of fiduciary responsibilities; or
(3) unless authorized by law, refused to appear or testify under oath at any hearing held by the commission.
(c) The designated school director must satisfy one (1) of the following qualification standards:
(1) Hold a bachelor's degree in education, real estate, or business.
(2) Have at least two (2) years experience within the past ten (10) years as an instructor or school administrator.
(d) School directors employed under IC 25-34.1-5 before January 1, 1989, are exempt from the requirements of subsection (c).
*(Indiana Real Estate Commission; 876 IAC 4-1-7; filed Dec 1, 1993, 10:30 a.m.: 17 IR 766; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 4-1-8 Instructors; qualifications**
**Authority: IC 25-34.1-9-21**
**Affected: IC 25-34.1-5**
Sec. 8. (a) Continuing education course sponsors shall affirm, upon application for continuing education course sponsor approval, that the course instructors shall possess at least one (1) of the following minimum qualifications:
(1) An instructor of real estate courses who is or has been engaged in the practice of teaching at an accredited institution of higher education.
(2) An instructor for a broker or salesperson course approved under IC 25-34.1-5.
(3) Possession of a bachelor's degree from a college or university in a related field to that in which the person is to teach or a comparable degree from a school of a foreign country.
(4) Five (5) years full-time experience in a profession, trade, or technical occupation in the real estate field.
(5) A combination of a total of five (5) years of:
(A) full-time experience relevant to the real estate field; and
(B) a college level education.
The combination may include no more than three (3) years of such education.
(6) Member of the state bar of Indiana who is engaged in the field of real estate related law.
(b) An instructor whose professional license or certification has been limited, suspended, or revoked in any jurisdiction may not instruct in approved programs while the disciplinary action is in effect.
(c) Any substitute instructor shall meet the qualifications of this section.
*(Indiana Real Estate Commission; 876 IAC 4-1-8; filed Dec 1, 1993, 10:30 a.m.: 17 IR 766; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 4-1-9 Sponsor approval date**
**Authority: IC 25-34.1-9-21**
**Affected: IC 25-34.1**
Sec. 9. Sponsors of both salesperson or broker continuing education courses shall be considered approved as of the date of approval by the commission, and therefore courses predating the approval date do not qualify.
*(Indiana Real Estate Commission; 876 IAC 4-1-9; filed Dec 1, 1993, 10:30 a.m.: 17 IR 767; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 4-1-10 Course outline**
**Authority: IC 25-34.1-9-21**
**Affected: IC 25-34.1**
Sec. 10. A course outline shall be prepared and distributed to the attendees. The outline shall state the number of continuing education hours offered.
*(Indiana Real Estate Commission; 876 IAC 4-1-10; filed Dec 1, 1993, 10:30 a.m.: 17 IR 767; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 4-1-11 Record retention**
**Authority: IC 25-34.1-9-21**
**Affected: IC 25-34.1**
Sec. 11. (a) The sponsor shall retain a record of attendance for all courses showing date, place, and attendee's name. This record must be signed by the instructor.
(b) The sponsor shall maintain for five (5) years the course records required by subsection (a) and section 2(b)(1) through 2(b)(3) of this rule.

(c) The sponsor may be asked to provide to the commission copies of records required by subsections (a) and (b), section 2(b)(1) through 2(b)(3) of this rule, and section 10 of this rule.
*(Indiana Real Estate Commission; 876 IAC 4-1-11; filed Dec 1, 1993, 10:30 a.m.: 17 IR 767; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**Rule 2. Course Requirements**

**876 IAC 4-2-1 Continuing education requirements**
**Authority: IC 25-34.1-9-21**
**Affected: IC 25-34.1-3-10; IC 25-34.1-9-11; IC 25-34.1-9-19**
Sec. 1. (a) Every licensed real estate broker and salesperson who has not been granted:
(1) an inactive license under IC 25-34.1-3-10; or
(2) a waiver under IC 25-34.1-9-19;
must complete during each two (2) year licensure period at least sixteen (16) hours of the approved education requirements under IC 25-34.1-9-11 and this article that are given by commission-approved sponsors of courses in order to qualify for license renewal.
(b) Licensees attending continuing education courses shall present a:
(1) government-issued photo identification; and
(2) real estate broker or salesperson pocket card;
for inspection by the course sponsor or a person designated by the course sponsor.
(c) Measurements and reporting shall be in full hours with a fifty (50) minute instruction period equaling one (1) hour.
(d) A course shall be a minimum of a two (2) hour instruction period.
(e) A minimum of two (2) hours and not more than eight (8) hours of instruction may be offered in a one (1) day course. However, instruction for an approved distance learning continuing education program may be more than eight (8) hours of instruction in a one (1) day course.
(f) A licensee shall not be entitled to any continuing education credit for a course unless the licensee completes the entire course.
(g) There shall be no minimum requirement of numbers of credit hours to be completed in each single year of the two (2) year licensure period.
(h) Any continuing education credit accumulated above the minimum requirement for a two (2) year licensure period shall not be carried forward to the next two (2) year licensure period.
(i) A licensee who attends the same approved continuing education course more than once in the same two (2) year licensure period is only entitled to continuing education credit for one (1) course.
(j) An instructor shall be entitled to continuing education credit for courses the instructor teaches. However, an instructor may not:
(1) be credited for more than six (6) hours of credit for instructing in any two (2) year licensure period; or
(2) receive credit for repeated courses.
*(Indiana Real Estate Commission; 876 IAC 4-2-1; filed Dec 1, 1993, 10:30 a.m.: 17 IR 767; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; filed Aug 15, 2001, 9:50 a.m.: 25 IR 103; filed Mar 2, 2006, 4:10 p.m.: 29 IR 2198, errata filed Mar 7, 2006, 9:50 a.m.: 29 IR 2203; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 4-2-2 Curricula for salesperson under IC 25-34.1-9-11(a)(1)**
**Authority: IC 25-34.1-9-21**
**Affected: IC 25-34.1-9-11**
Sec. 2. (a) This section establishes the six (6) hour continuing education requirement under IC 25-34.1-9-11(a)(1) for salespersons.
(b) To qualify for license renewal, salespersons must have two (2) hours of continuing education instruction in three (3) of the following:
(1) Indiana licensure and escrow law.
(2) Indiana agency law.
(3) Fair housing and civil rights law.
(4) Listing contracts and purchase agreements.
(5) Settlement procedures.
(6) Antitrust.
(7) Environmental issues.
(8) Ethics and standards.
*(Indiana Real Estate Commission; 876 IAC 4-2-2; filed Dec 1, 1993, 10:30 a.m.: 17 IR 768; filed Jun 21, 1996, 10:00 a.m.: 19 IR 3112; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; filed Nov 4, 2002, 11:42 a.m.: 26 IR 788; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 4-2-3 Curricula for brokers under IC 25-34.1-9-11(a)(1)**
**Authority: IC 25-34.1-9-21**
**Affected: IC 25-34.1-9-11**
Sec. 3. (a) This section establishes the six (6) hour continuing education requirement under IC 25-34.1-9-11(a)(1) for brokers.
(b) To qualify for license renewal, brokers must have two (2) hours of continuing education instruction in three (3) of the following:
(1) Indiana licensure and escrow law.
(2) Indiana agency law.
(3) Fair housing and civil rights law.
(4) Listing contracts and purchase agreements.
(5) Settlement procedures.
(6) Antitrust.
(7) Environmental issues.
(8) Ethics and standards.
*(Indiana Real Estate Commission; 876 IAC 4-2-3; filed Dec 1, 1993, 10:30 a.m.: 17 IR 768; filed Jun 21, 1996, 10:00 a.m.: 19 IR 3112, eff Jan 1, 1997; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; filed Nov 4, 2002, 11:42 a.m.: 26 IR 788; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 4-2-3.5 Outline for curricula for salespersons and brokers under IC 25-34.1-9-11(a)(1)**
**Authority: IC 25-34.1-9-21**
**Affected: IC 25-34.1-9-11**
Sec. 3.5. (a) Except as allowed by subsection (b), the subject areas required in sections 2 and 3 of this rule shall be taught under the following recommended outlines:
(1) The following under the Indiana licensure and escrow law:
(A) Purpose and basic provisions of licensing statutes and administrative rules.
(B) Real estate broker and salesperson licensure requirements.
(C) Educational requirements.
(D) Enforcement of statutes and rules.
(E) Seller agency.
(F) Buyer agency.
(G) Limited agency.
(H) Disclosure issues.
(I) Unlicensed assistants.
(J) Current topics of importance.
(2) The following under the agency law:
(A) General agency law.
(B) Agency relationships, including agent's duty to the following:
(i) Principal.
(ii) Third parties.
(C) Creation of an agency.
(D) Enforcement of agency, including the following:
(i) Intentional misrepresentation.
(ii) Negligent misrepresentation.
(iii) Fraud.
(E) Liabilities and consequences of breach of duties, including the following:
(i) Disciplinary action by the Indiana real estate commission.

(ii) Civil liability.
(iii) Criminal liability.
(F) Seller agency.
(G) Buyer agency.
(H) Limited agency.
(3) The following under the fair housing and civil rights laws:
(A) Historical context of legislation.
(B) Discriminatory acts and penalties, including the following:
(i) Theories of discrimination.
(ii) Items of specific prohibition.
(iii) Definitions.
(C) Exemptions.
(D) Enforcement.
(E) Testing for compliance.
(F) Advertising.
(G) Protected classes.
(H) Record keeping.
(I) Fair housing procedures.
(4) The following under the listing contracts and purchase agreements:
(A) Basic contract law.
(B) Statute of frauds.
(C) Indiana license law.
(D) Essential elements of a contract.
(E) Enforcement and defenses to enforcement of contracts.
(F) Listing contracts, including the following:
(i) Types.
(ii) Seller disclosure.
(iii) Duties and responsibilities of both parties.
(iv) Extension/protection clause.
(G) Purchase agreement, including the following:
(i) Duties and responsibilities of both parties.
(ii) Contingencies.
(iii) Real property and personal property issues.
(5) The following under the settlement procedures:
(A) Principles and sources of contract law.
(B) Contract terms and definitions.
(C) Contract essentials.
(D) Legal objective.
(E) Performance and nonperformance.
(F) Sources of contract law.
(G) Listing contract and purchase agreements.
(H) Agent's role in closing, including the following:
(i) Financing.
(ii) Inspections.
(iii) Environmental.
(iv) Insurance.
(v) Appraisal and survey.
(vi) Title.
(vii) Closing and possession.
(I) Escrow deposits and disbursement.
(J) Controlling problems.
(6) The following under antitrust laws:
(A) Sherman Act.
(B) Clayton Act.
(C) Federal Trade Commission.
(D) Indiana act.
(E) Penalties for antitrust violations.
(F) Potential violations with clients and customers.
(G) Potential violations with competitors.
(H) Potential violations with providers and other organizations.
(I) Enforcement.
(J) Compliance policies.
(7) The following under environmental issues:
(A) Historical perspective.
(B) Federal environmental laws.
(C) Indiana environmental laws, including the following:
(i) Insecticide and pesticide.
(ii) Wells.
(iii) Water quality.
(iv) Sewage disposal systems.
(v) Radon.
(vi) Asbestos.
(vii) Lead.
(viii) Storage tanks.
(ix) Electric and magnetic fields.
(x) Wet lands.
(xi) Mold and other biological contaminants.
(8) The following under ethics and standards:
(A) Ethics, standards, regulations, and laws.
(B) Business versus personal ethics.
(C) Ethical considerations, including the following:
(i) Management.
(ii) Record keeping.
(iii) Confidentiality.
(D) Standards discussions.
(E) Duties and responsibilities of parties involved.
(F) Mediation.
(G) Arbitration.
(H) Litigation with regulations.
(b) As an alternative to following the outlines in subsection (a), the subject areas required in sections 2 and 3 of this rule may be taught under outlines substantially similar under subsection (a).
*(Indiana Real Estate Commission; 876 IAC 4-2-3.5; filed May 27, 2003, 11:01 a.m.: 26 IR 3342, eff Jan 1, 2004; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 4-2-4 Curricula under IC 25-34.1-9-11(2)**
**Authority: IC 25-34.1-9-21**
**Affected: IC 25-34.1-9-11**
Sec. 4. In addition to the subjects listed in IC 25-34.1-9-11(2), the following course subjects shall be allowed toward meeting the required ten (10) hours of course work:
(1) Subjects listed in IC 25-34.1-9-11(1).
(2) Property management, including lease agreements, accounting procedures, and management contracts.
(3) Timeshares, condominiums, and cooperatives.
(4) Industrial brokerage and leasing.
(5) Investment real estate analysis.
(6) Any course approved by the commission relating to real estate practices.
*(Indiana Real Estate Commission; 876 IAC 4-2-4; filed Dec 1, 1993, 10:30 a.m.: 17 IR 768; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; filed Aug 15, 2001, 9:05 a.m.: 25 IR 104; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 4-2-5 Course qualifications**
**Authority: IC 25-34.1-9-21**
**Affected: IC 25-34.1-5**
Sec. 5. (a) All courses must be instructional and contribute to professional competence in the practice of real estate.
(b) The following courses do not qualify:
(1) Real estate broker or salesperson prelicensing courses under IC 25-34.1-5.
(2) Examination preparation.
(3) Sales meetings.
(4) In-house training sessions.
(5) Correspondence.

(6) Motivational classes or seminars.
*(Indiana Real Estate Commission; 876 IAC 4-2-5; filed Dec 1, 1993, 10:30 a.m.: 17 IR 768; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; filed Aug 15, 2001, 9:05 a.m.: 25 IR 104; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 4-2-6 Renewal applications**
**Authority: IC 25-34.1-9-21**
**Affected: IC 25-1-11; IC 25-34.1**
Sec. 6. (a) An applicant for license renewal shall certify on the application that the applicant has complied with the continuing education requirements under IC 25-34.1 and this article.
(b) The commission may request verification of any information submitted by the applicant and may request the applicant to submit evidence supporting the course credit claimed.
(c) It is the responsibility of each licensee to retain sponsor course attendance verification to support the courses taken by the licensee for four (4) years after the end of the biennial period for which the continuing education is claimed.
(d) The commission may request applicants to prove information as provided in subsection (c) in order to verify continuing education hours claimed in the application. Failure to do so shall subject a licensee to the sanctions provided for under IC 25-1-11.
*(Indiana Real Estate Commission; 876 IAC 4-2-6; filed Dec 1, 1993, 10:30 a.m.: 17 IR 768; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 4-2-7 Commission review of continuing education compliance**
**Authority: IC 25-34.1-9-21**
**Affected: IC 25-1-11; IC 25-34.1-9**
Sec. 7. (a) If, as the result of an audit or other review, the commission determines that continuing education hours a licensee has claimed do not meet the requirements of IC 25-34.1-9 and this article, the commission shall notify the licensee of that determination.
(b) A licensee, who has been notified under subsection (a), may within thirty (30) days submit information to the commission giving all the substantive reasons in support of the licensee's position that an adequate number of hours has been obtained.
(c) A licensee who submits false information under section 6 of this rule or this section shall be subject to the sanctions provided for under IC 25-1-11.
*(Indiana Real Estate Commission; 876 IAC 4-2-7; filed Dec 1, 1993, 10:30 a.m.: 17 IR 768; errata filed May 3, 1999, 4:10 p.m.: 22 IR 2884; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 4-2-8 Inactive license**
**Authority: IC 25-34.1-9-21**
**Affected: IC 25-34.1-3-10**
Sec. 8. (a) An applicant for license renewal may request an inactive license under IC 25-34.1-3-10 by complying with that section and certifying under penalty of perjury that the applicant will not perform and does not intend to perform an act that requires a salesperson license or broker license.
(b) Brokers who are broker salespersons and both assigned and unassigned salespersons may request an inactive license under subsection (a). By doing so, they are removed from their previous status and become holders of inactive licenses.
*(Indiana Real Estate Commission; 876 IAC 4-2-8; filed Dec 1, 1993, 10:30 a.m.: 17 IR 769; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 4-2-9 License activation**
**Authority: IC 25-34.1-9-21**
**Affected: IC 25-34.1-9-11**
Sec. 9. (a) In order to reactivate an inactive license at the time of license renewal, the licensee must have obtained all sixteen (16) hours of continuing education that would have been required for renewal had the license been active.
(b) In order to reactivate an inactive license during a two (2) year licensure period, the licensee must obtain the six (6) hours of continuing education required by IC 25-34.1-9-11(a)(1) for that two (2) year licensure period and pay the transfer fee established in 876 IAC 2-18-1.
(c) A licensee who has reactivated the licensee's license during a two (2) year licensure period under subsection (b) must obtain the ten (10) hours of continuing education required by IC 25-34.1-9-11(a)(2) in order to renew the license at the end of the two (2) year licensure period.
*(Indiana Real Estate Commission; 876 IAC 4-2-9; filed Dec 1, 1993, 10:30 a.m.: 17 IR 769; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; filed Aug 15, 2001, 9:05 a.m.: 25 IR 104; filed Nov 4, 2002, 11:42 a.m.: 26 IR 788; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA; filed Feb 17, 2012, 10:40 a.m.: 20120314-IR-876110325FRA)*

**876 IAC 4-2-10 License reinstatements; continuing education requirements**
**Authority: IC 25-34.1-9-21**
**Affected: IC 25-34.1-3-3.1; IC 25-34.1-3-4.1**
Sec. 10. A licensee who does not obtain the required continuing education hours during a two (2) year licensure period does not qualify for renewal of the license unless the licensee has a waiver under section 8 of this rule. However, such licensee may cure that deficiency by obtaining the continuing education hours in the next two (2) year licensure period and applying for reinstatement of the license under the provisions of IC 25-34.1-3-3.1(f) or IC 25-34.1-3-4.1(h). Continuing education hours obtained to cure a deficiency in a prior two (2) year licensure period shall not be double counted by also being included in the licensing period in progress when they are obtained.
*(Indiana Real Estate Commission; 876 IAC 4-2-10; filed Dec 1, 1993, 10:30 a.m.: 17 IR 769; errata filed Feb 3, 1998, 9:45 a.m.: 21 IR 2130; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**876 IAC 4-2-11 Waiver of continuing education requirements due to hardship**
**Authority: IC 25-34.1-9-21**
**Affected: IC 25-34.1-9-11; IC 25-34.1-9-19**
Sec. 11. (a) An applicant for license renewal who was unable to fulfill the continuing education requirements under IC 25-34.1-9-11 may be granted a waiver of the continuing education requirement by the commission under IC 25-34.1-9-19(1).
(b) An applicant requesting a waiver of continuing education requirements under subsection (a) shall certify under penalty of perjury that the applicant was unable to fulfill the continuing education due to a hardship resulting from the following:
(1) Service in the armed forces of the United States for one (1) year or more of the two (2) year licensure period.
(2) An incapacitating illness which has prevented either part-time or full-time employment for at least twelve (12) months of the two (2) year licensure period.
(c) Waivers from the continuing education requirement are also available under IC 25-34.1-9-19(2) for licensees who are affiliated with a

principal broker for the sole purpose of making referrals to a licensed salesperson or broker.

(d) An individual with a waiver is required to pay the license renewal fee.

(e) An applicant who applies for waiver of the continuing education requirements shall request the waiver in writing.

(f) The commission may seek verification of the applicant's request for waiver of continuing education requirements under this section.

*(Indiana Real Estate Commission; 876 IAC 4-2-11; filed Dec 1, 1993, 10:30 a.m.: 17 IR 769; readopted filed Jun 29, 2001, 9:56 a.m.: 24 IR 3824; readopted filed Jul 19, 2007, 12:57 p.m.: 20070808-IR-876070067RFA)*

**Rule 3. Distance Learning Continuing Education**

**876 IAC 4-3-1 "Distance learning continuing education" defined**
**Authority: IC 25-34.1-9-21**
**Affected: IC 25-34.1**

Sec. 1. "Distance learning continuing education" means education designed for licensed professional learners who live at a distance from the teaching institution or education provider. The term includes enrollment and study with an educational institution that provides organized, formal learning opportunities for professionals seeking to remain current on the high standards of their profession and abreast of the changes in their field. Presented in a sequential and logical order, the instruction:

(1) is offered wholly or primarily by distance study, through virtually any media; and

(2) may incorporate or make use of various media formats, including, but not limited to:

(A) printed materials;

(B) communication technologies; and

(C) Internet based delivery systems.

*(Indiana Real Estate Commission; 876 IAC 4-3-1; filed Mar 2, 2006, 4:10 p.m.: 29 IR 2199)*

**876 IAC 4-3-2 Distance learning continuing education requirements**
**Authority: IC 25-34.1-9-21**
**Affected: IC 25-34.1**

Sec. 2. (a) Distance learning courses must meet the requirements of section 3 of this rule and at least one (1) of the following:

(1) Courses that meet the requirements of section 4 of this rule.

(2) Courses for which the applicant provides satisfactory documentation that the continuing education course offered has been certified by a national accrediting organization. Any commission approval based on such certification will cease immediately upon notice from the accrediting organization that certification of the continuing education course has been discontinued for any reason.

(3) Courses completed for academic credit at an accredited university or college.

(b) A student must complete the distance learning continuing education course or courses within one (1) year of the date of enrollment.

(c) Mandatory and nonmandatory classes may be taken through distance learning continuing education courses.

*(Indiana Real Estate Commission; 876 IAC 4-3-2; filed Mar 2, 2006, 4:10 p.m.: 29 IR 2199)*

**876 IAC 4-3-3 Distance learning continuing education courses**
**Authority: IC 25-34.1-9-21**
**Affected: IC 25-34.1**

Sec. 3. The commission shall approve a distance learning continuing education course if the commission determines to its satisfaction the following:

(1) The distance learning continuing education course serves to protect the public by contributing to the maintenance and improvement of the quality of the real estate services provided by the real estate licensees to the public.

(2) An appropriate and complete application has been filed with the commission.

(3) The distance learning continuing education course meets the content requirements as prescribed in 876 IAC 4-2-2 and 876 IAC 4-2-3.

(4) The course complies with sections 5 through 7 of this rule as applicable.

(5) The distance learning continuing education course meets all other requirements as prescribed in IC 25-34.1-9 and this article.

*(Indiana Real Estate Commission; 876 IAC 4-3-3; filed Mar 2, 2006, 4:10 p.m.: 29 IR 2199)*

**876 IAC 4-3-4 Approval of distance learning continuing education**
**Authority: IC 25-34.1-9-21**
**Affected: IC 25-34.1**

Sec. 4. In order for a distance learning continuing education course to meet the requirements of section 2(a)(1) of this rule, the provider shall submit the following information:

(1) Mission and objectives, as follows:

(A) A statement that clearly defines the mission of the provider's educational programs.

(B) The specific curricular objectives for the course.

(C) A plan for periodic review of the following:

(i) The mission statement.

(ii) Curricular objectives.

(2) Course design, as follows:

(A) A course outline that clearly states the following:

(i) The course objectives.

(ii) The desired student outcomes.

(B) A plan to ensure that the course content is:

(i) updated in a timely manner; and

(ii) distributed to:

(AA) students who are currently enrolled; and

(BB) future registrants.

(C) A plan for submitting substantial changes in the course to the commission. Substantial changes include, but are not limited to, the following:

(i) Expanded or reduced course content.

(ii) Changes in the time allotments for portions of the course.

(iii) Changes or redirected learning objectives.

(iv) A change of instructor.

(v) Changes in the course delivery method.

(D) The course disk or CD-ROM, if applicable.

(E) A list of reference materials provided to the students.

(F) A list of any prerequisites for the course and evidence that students are properly advised of the prerequisites before registration.

(G) Evidence that the course is structured in a mastery learning format that ensures mastery accomplishment.

(H) Evidence that the number of hours claimed is the number of hours it takes the average student to complete the course. This requirement can be met by submitting the results of the studies or field tests, or both, that will verify the claims.

(3) Interactivity, as follows:

(A) A description of how interaction is accomplished in the course.

(B) An explanation of how:

(i) interactivity is evaluated; and

(ii) feedback is gathered from students;

throughout the course.

(4) Course delivery, as follows:

(A) A plan that shows evidence that technical support will be available when needed.
(B) Evidence that instructor-student ratios are acceptable for the delivery method used.
(C) The name or names and qualifications of the instructor or instructors of the course, submitting their credentials, including any specific training for teaching, via the specified delivery method, and a plan for their continued professional development.
(D) A list of remote sites if applicable. "Remote site" means one that receives a broadcast whether by:
(i) satellite; or
(ii) teleconferencing.
(E) A list of any site facilitators and the qualifications and credentials for each.
(5) Equipment and learning environment, as follows:
(A) A list of equipment that the student will need and evidence that this information is made available to the student before registration.
(B) An acceptable plan for dealing with equipment failures.
(6) Student support services, as follows:
(A) A copy of a student information package that contains all the necessary information about the course. This information includes, but is not limited to, the following:
(i) Information about broadcasts and distance site locations.
(ii) Faculty contact information.
(iii) The course outline and learning objectives.
(iv) Guidelines regarding what constitutes successful completion of the course.
(v) Deadlines.
(vi) Fees and refunds.
(vii) Prerequisites.
(viii) Illness policy.
(ix) A list of required student materials, including required software.
(B) An explanation of how student orientation sessions are accomplished. Each student is required to have an orientation before the student begins the course.
(C) An acceptable list of other support services made available to the students.
(7) Evaluation and assessment, as follows:
(A) An evaluation form that solicits student feedback on the following:
(i) The delivery approach.
(ii) The equipment.
(iii) Suggestions for class improvement.
(iv) The student's overall satisfaction with the course.
An evaluation form is required to be given to every student in a distance learning continuing education course at the conclusion of the course.
(B) A plan for verifying student identity. The provider of any distance learning continuing education course must have an acceptable plan in place that verifies that the student enrolled in the course is the one that completes the following:
(i) The course.
(ii) Any required tests.
(8) Commitment to support, as follows:
(A) A copy of the provider's business plan that shows ongoing commitment to provide adequate financial and technical resources to support the distance learning continuing education course.
(B) A statement of how long the provider has been offering distance learning continuing education courses.

*(Indiana Real Estate Commission; 876 IAC 4-3-4; filed Mar 2, 2006, 4:10 p.m.: 29 IR 2199)*

**876 IAC 4-3-5 Distance learning continuing education courses by correspondence**

**Authority: IC 25-34.1-9-21**
**Affected: IC 25-34.1**

Sec. 5. Licensees may take distance learning continuing education courses by correspondence so long as the courses meet the following criteria:
(1) All courses must provide a test, and the participant must score at least seventy-five percent (75%) to pass and receive credit for the course.
(2) Tests must have multiple choice questions with at least twenty (20) questions per two (2) hours of instruction. The following types of questions are not allowed:
(A) True or false.
(B) Essay.
(3) The organization and presentation of the instructional materials shall be in accord with sound principles of learning.
(4) Correspondence courses must have sufficient security to assure against fraudulent practices.

*(Indiana Real Estate Commission; 876 IAC 4-3-5; filed Mar 2, 2006, 4:10 p.m.: 29 IR 2201)*

**876 IAC 4-3-6 Video instruction distance learning continuing education**

**Authority: IC 25-34.1-9-21**
**Affected: IC 25-34.1**

Sec. 6. Licensees may take distance learning continuing education courses by video instruction so long as the courses meet the following criteria:
(1) All courses must provide a test, and the participant must score at least seventy-five percent (75%) to pass and receive credit for the course.
(2) Tests must have multiple choice questions with at least twenty (20) questions per two (2) hours of instruction. The following types of questions are not allowed:
(A) True or false.
(B) Essay.
(3) The organization and presentation of the instructional materials shall be in accord with sound principles of learning.
(4) Video instruction classes must have a monitor in the room at all times to assure proper attendance.

*(Indiana Real Estate Commission; 876 IAC 4-3-6; filed Mar 2, 2006, 4:10 p.m.: 29 IR 2201)*

**876 IAC 4-3-7 Internet distance learning continuing education**

**Authority: IC 25-34.1-9-21**
**Affected: IC 25-34.1**

Sec. 7. Licensees may take continuing education courses via the Internet so long as the courses meet the following criteria:
(1) All courses must provide a test, and the participant must score at least seventy-five percent (75%) to pass and receive credit for the course.
(2) Tests must have multiple choice questions with at least twenty (20) questions per two (2) hours of instruction. The following types of questions are not allowed:
(A) True or false.
(B) Essay.
(3) The organization and presentation of the instructional materials shall be in accord with sound principles of learning.
(4) Internet courses must have sufficient security to assure against fraudulent practices.

*(Indiana Real Estate Commission; 876 IAC 4-3-7; filed Mar 2, 2006, 4:10 p.m.: 29 IR 2201)*