



Janet T. Mills
Governor

STATE OF MAINE
DEPARTMENT OF PROFESSIONAL & FINANCIAL REGULATION
OFFICE OF PROFESSIONAL AND OCCUPATIONAL REGULATION
REAL ESTATE COMMISSION

Penny Vaillancourt
OPOR Director



Joan F. Cohen
Commissioner

Real Estate Commission Public Meeting
May 21, 2026
AGENDA

Location: 76 Northern Ave. Gardiner, ME 04345

Room: Central Conference Room

Information regarding virtual attendance to this meeting will be posted on the Board's website at: <https://www.maine.gov/pfr/professionallicensing/professions/real-estate-commission/home/board-meeting-information>

Time: 9:00 a.m.

Contact: Shara Chesley, (207) 624-8521 Shara.Chesley@maine.gov

I. CALL TO ORDER

II. AGENDA MODIFICATIONS AND APPROVAL

III. MINUTES REVIEW AND APPROVAL

Review and approval of February 19, 2026, minutes.

IV. TRAVEL REQUEST

Travel request for Catherine Pendergast to attend the Association of Real Estate License Law Officials (ARELLO) Annual Meeting September 15-17, 2026

V. PROPOSED DISMISSALS

2025-REC-20822

VI. PROPOSED CONSENT AGREEMENTS

2023-REC-19096

2025-REC-20923

2025-REC-21120

2026-REC-21286

2026-REC-21332

2026-REC-21360

Office Location: 76 Northern Avenue, Gardiner, Maine 04345

Mailing Address: 35 State House Station, Augusta, Maine 04333

[Real Estate Commission | Office of Professional and Occupational Regulation](#)

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Shara.Chesley@maine.gov

VII. DIRECTOR'S REPORT

- Rule Changes, Seller Impersonation and AI Core Course
- QE Guidelines Memo
- Offer Guidelines Memo
- Seller Verification Memo

VIII. PUBLIC COMMENT

Under this item, the Commission will offer an opportunity to members of the public in attendance to comment on any public matter under the jurisdiction of the Board, except for any open application or complaint. While the Commission cannot take action on any issues presented, the Commission will listen to comments and may ask staff to place the issue on a subsequent agenda. At the discretion of the Commission Chair, a time limit on comments may be set.

IX. MEETING SCHEDULE

Next meeting scheduled for June 18, 2026.

X. ADJOURNMENT

**Minutes of the Maine Real Estate Commission Meeting
February 19, 2026**

<u>MEMBERS PRESENT</u>	<u>STAFF PRESENT</u>
Leanne Nichols, Chairman	Catherine Pendergast, Director
Jane B. Towle, Vice Chair	Jeffrey Hill, Deputy Director
Edith Fontaine	Kathryn Horst, AAG
Charles Brawn	Jazmyne Marks, Licensing Supervisor
	Shara Chesley, Office Specialist I
	Heidi Lincoln, Office Specialist I
<u>MEMBERS ABSENT</u>	

Location: 76 Northern Ave Gardiner, ME

Start: 9:00 a.m.

Adjourn: 9:41 a.m.

I. CALL TO ORDER

The meeting was opened by Chair Nichols at 9:00 a.m.

II. AGENDA MODIFICATIONS

None

III. INTRODUCTION AND OPOR UPDATE

Penny Vaillancourt, OPOR Director, introduced herself to members and provided information on development of an OPOR strategic plan.

IV. MINUTES REVIEW AND APPROVAL

A motion was made by Towle and seconded by Fontaine to approve the minutes of the December 18, 2025, meeting. Unanimous.

V. ELECTION OF OFFICERS

A motion was made by Towle and seconded by Brawn to elect Towle as Chairperson and Nichols as Vice Chairperson. Unanimous.

VI. PROPOSED DISMISSAL

A motion was made by Towle and seconded by Fontaine to approve dismissals 2022-REC-18542; 2023-REC-18956 and 2023-REC-19170. Unanimous.

VII. PROPOSED CONSENT AGREEMENTS

Nichols recused and left the meeting.

A motion was made by Brawn and seconded by Fontaine to approve consent agreements 2023-REC-19096 and 2025-REC-21159. Brawn, Fontaine and Towle voted in the affirmative. Motion carried.

Nichols rejoined the meeting.

A motion was made by Brawn and seconded by Fontaine to approve consent agreements 2025-REC-21088; 2025-REC-21114; 2025-REC-21126; 2025-REC-21132; 2025-REC-21137 and 2026-REC-21182. Unanimous.

VIII. DIRECTOR'S REPORT

Jane Towle provided an overview of the Commission she served on to Recommend Methods of Preventing Deed Fraud in the State.

The director provided information on LD 2182 An Act to Implement a Recommendation of the Commission to Recommend Methods for Preventing Deed Fraud in the State

IX. PUBLIC COMMENT

None

X. MEETING SCHEDULE

The next meeting is currently scheduled for Thursday March 19, 2026.

XI. ADJOURNMENT

A motion was made by Towle and seconded by Brawn to adjourn the meeting at 9:41 a.m. Unanimous.

DRAFT

Rule Changes, Seller Impersonation & AI Core Course

Objectives: Licensees completing this course will be able to:

- Identify recent changes to the Real Estate Commission Rules;
- Understand the requirement and importance of verifying seller identity in real estate transactions; and
- Recognize the responsibilities and potential liability for licensees using artificial intelligence (AI) in real estate brokerage.

This is a three-part course.

Part I - addresses Commission Rule changes adopted in 2025. Only the more significant changes are discussed in this course. The rules are available in their entirety on the Real Estate Commission (REC) website: <https://www.maine.gov/pfr/professionallicensing/professions/real-estate-commission/home/laws-rules>. If you maintain paper or digital copies of REC Rules, they should be discarded and replaced.

Part II - addresses concerns relative to real estate fraud and outlines the importance of verification of seller identity. Red flags and verification techniques will be discussed. This is not a new requirement, but one that continues to warrant awareness and due diligence by licensees.

Part III - addresses the use of artificial intelligence (AI) in real estate brokerage transactions. Are you using AI? Are other real estate agents using it? How is its output being verified? Are you disclosing when advertising materials have been altered or modified using technology?

Part I – Real Estate Commission Rule Changes

*The Real Estate Commission (REC) conducted a thorough review of its rules which resulted in numerous changes. Real Estate Commission Rules are not best practices; they are **minimum standards**. Can licensees go beyond minimum standards? Absolutely. It's up to you. Do you want to be known as a licensee/agency meeting minimum standards or exceeding them?*

Changes to the following selected rules are highlighted.

Chapter 390: Licensing Procedures and Requirements for Individuals and Agencies

1. Associate Real Estate Broker

An individual may qualify for an associate real estate broker license if:

- A. The applicant submits an application approved by the Director with the required fee;
- B. The applicant has been licensed as a real estate sales agent and affiliated with a real estate brokerage agency for two (2) years within the five (5) years immediately preceding the date of license application and submits the Designated Broker's Authorization of Agency Affiliation form with their application. An individual may not submit their application any sooner than thirty (30) days prior to the expiration date of their sales agent license term;

C. The applicant completed the Associate Broker Course with a minimum final grade of 75% and submitted a course completion certificate; and

D. The applicant submits a course completion certificate demonstrating satisfactory completion of a core course approved by the Commission.

Does the core course have to be the current core course at the time of application? No, any core course that was approved by the Maine Real Estate Commission when the applicant completed it meets the requirement for licensure as an associate broker.



Remember – A requirement of the Associate Broker Course is completion of hands-on experience training tasks documented by the designated broker or mentor(s) assigned by the designated broker via the “Real Estate Associate Broker Qualifying Education Documented Field Experience Form”.

Chapter 400: Real Estate Brokerage Agency and Designated Broker Responsibilities

SECTION 1. Responsibilities of Designated Broker

1. Generally

The designated broker shall supervise the activities of affiliated licensees and unlicensed persons involved in the operation of the real estate brokerage agency including all branch offices.

The supervision includes, at a minimum, the establishment of policies and procedures that enable the designated broker to review, manage and oversee the following:

Section 1(1)I: Affiliated licensees are properly licensed including completion of continuing education requirements for license renewal.

This is not a new requirement. The Real Estate Brokerage License Act sets forth responsibility:

32 M.R.S. §13179. Supervision of employees

The designated broker shall exercise a reasonable level of supervision commensurate with the level of qualification and experience of agency employees and independent contractors supervised, in order to protect and promote the interests of its clients with absolute fidelity. The designated broker shall not permit or authorize any person to engage in any activity for which they are not properly licensed.

The revised rules are simply an attempt to bring the requirement to the attention of designated brokers.

Continuing education, including the required core course, is required for any associate broker or broker license to be renewed and therefore to be properly licensed.

Does this mean that designated brokers must track continuing education hours and review every affiliated licensee's course completion certificates? No, but they can if they would like to.

What is your agency doing to ensure that affiliated licensees are properly licensed?

SECTION 2. Monitoring Compliance

The designated broker shall establish systems for monitoring compliance with the real estate brokerage agency's policies, rules, and procedures that include regularly meeting with and assisting and advising affiliated licensees, developing and distributing company policy manuals, and offering training programs and resource materials.

1. Delegation

The designated broker may designate another person to assist in administering the provisions of the Commission's rules. However, the designated broker does not relinquish overall responsibility for the supervision of affiliated licensees and unlicensed persons involved in the operation of the real estate brokerage agency.

2. Company Policy

The designated broker shall have, and make available to agency affiliates and unlicensed persons working with the agency a written company policy that identifies and describes the types of real estate brokerage relationships in which the real estate brokerage agency may and may not engage. In addition, the company policy must also include the procedures intended to prevent any mishandling of information through both formal and informal sharing of information within the real estate brokerage agency, the arrangement of agency office space and the personal relationships of affiliated licensees who are representing buyers and sellers with adverse interests.

The designated broker shall review and update the written company policy as needed.

3. Review of Sales Agent Documents

The designated broker, at a minimum, shall review and initial, as soon as possible, all contracts, property data sheets, disclosure forms, market analyses and other relevant information prepared by a sales agent for buyers and sellers during the first ninety (90) days that a sales agent is affiliated with a real estate brokerage agency. If a sales agent changes real estate brokerage agency affiliation during the license term, this requirement will apply again for the first ninety (90) days with the new agency and the new designated broker is responsible. The requirements of this Subsection are not intended to affect the validity of a contract.

Chapter 400 Section 2 (3) is not a new rule. The language was added to clarify that the 90 day review and initial period is required at every agency a sales agent affiliates with.

When did you last look at your company policy? How often are you reviewing it? When was the last time your company policy changed?

Designated brokers, if you are storing your documents digitally, are you still reviewing and initialing sales agent documents, as required? Reviewing a checklist does not meet the requirement.

SECTION 4. Record Retention Schedules; Format

1. Generally

All real estate brokerage records, including real estate trust account and supporting records, transaction files, and other brokerage-related records, are to be under the control of the designated broker and made available to the Director upon request. Except for rejected offers and counteroffers, which must be kept for one (1) year from the date of the rejected offer or counteroffer, the following records must be kept by the designated broker for three (3) calendar years after all funds held by the designated broker in connection with a transaction have been disbursed or until the conclusion of the transaction, whichever last occurs:

- A. The original or a true copy of all purchase and sale contracts;
- B. Listing or buyer brokerage representation agreements, appointed agent consent forms, disclosed dual agent consent forms and the Real Estate Brokerage Relationships Form required under Chapter 410, Section 9 of the Commission's 0
- C. Property disclosure information forms, data sheets and other property information prepared by the real estate brokerage agency or one of its affiliated licensees to promote property for sale or purchase;
- D. Real Estate Trust Account ledger records, as listed in Section 3(7) of this chapter; and
- E. Real Estate Trust Account reconciliation records, as listed in Section 3(8) of this chapter: and
- F. Other transaction documents, including written documents, electronic messages including email and text messages, and any other type of document in any format.

The advent of digital technology has drastically changed how people communicate with each other. Digital, paperless transactions are commonplace. With written and video data exchanged instantaneously through numerous platforms beyond email and text messages such as Facebook and TikTok. Smartphones are personal communication hubs which allow people to connect from almost anywhere in virtual spaces. While technology may have changed the way you are doing business, it has not changed your responsibilities to clients and customers. The clarification of this rule is meant to point out that no matter the format of the transaction documents you are using, they are required to be maintained.

Licensees are required to provide brokerage documents and records prepared in a real estate transaction to the DB within 5 calendar days of execution as set forth in Chapter 410 Section 13(2).

Are you doing the following within 5 days:

- turning in your advertisements to your agency/designated broker? Social media ads are not exempt from this requirement.
 - submitting all rejected offers and buyer agreements for buyers that never buy to your DB?
 - submitting all Real Estate Brokerage Relationships Forms?
- If you are only turning in documents when you go under contract or any other time after 5 calendar days, you are not in compliance with this rule.

Chapter 410: Minimum Standards of Practice

SECTION 2. Acting in Self-Interest

1. A licensee holding an active real estate license shall disclose, in the offer to purchase **as a buyer, or as part of the property disclosure information as a seller**, that the licensee is a real estate licensee:
 - A. When buying **or selling** real estate not listed with a real estate brokerage agency;
 - B. When buying **or selling** real estate listed with the licensee's real estate brokerage agency; or
 - C. When buying **or selling** real estate and sharing in the brokerage fee resulting from the sale of such real estate.

The revised rule adds the requirement that licensees disclose that they are a licensee when selling real estate not listed with an agency, listed with the agency they are affiliated with, or when sharing in the brokerage fee from the sale of such real estate.

What if the real estate is held as an LLC or S Corp? Does that make a difference? No, ownership in an LLC or S Corp still requires disclosure.

Should you ever be a disclosed dual agent in a transaction in which you are the buyer or seller? While not expressly prohibited by law, is it possible to NOT promote your interests over the other party's interest? Does it pass the straight-face test?

In addition to the requirement to disclose you are a licensee as a party to a transaction, are there other situations in which you would disclose a relationship you have with a client to another client in a transaction? What about a disclosed dual agency situation in which you have a seller client and your sister or best friend is the buyer client? Should that be disclosed? Yes. That relationship would be considered a material fact which is defined in the Real Estate License Brokerage act 32 M.R.S. as "a fact that relates to the transaction and is so substantial and important as to influence the client to whom it is imparted."

Maybe the seller would not be comfortable working with you as a disclosed dual agent in that situation.

SECTION 9. Real Estate Brokerage Relationship Disclosure Procedures

1. Real Estate Brokerage Relationships Form

The Commission incorporates into this chapter by reference the Real Estate Brokerage Relationships Form attached to this chapter. (Real Estate Brokerage Relationships Form revised 07/06).

2. Obligation to Furnish Real Estate Brokerage Relationships Form

Except as provided in Section 9(3) of this chapter, a licensee shall furnish a prospective buyer or seller with a copy of the Real Estate Brokerage Relationships Form when there is substantive communication regarding a real estate transaction by either a face-to-face meeting, a written communication, or an electronic communication with the prospective buyer or seller. The licensee shall discuss the content of the form and ascertain the intent of the buyer or seller regarding representation. The licensee shall complete the statement on the form acknowledging that the prospective buyer or seller has been provided with the information required by Maine law regarding brokerage relationships.

Licensees have always been responsible for providing the Real Estate Brokerage Relationships Form to prospective buyers and sellers so they can make an informed decision about working with licensees as a customer or client. The assumption has been that licensees would explain and discuss the Form to assist buyers and sellers in making an informed decision. The second sentence was added to make clear that the licensee's duty does not end at "furnishing" the form.

The importance of buyers and sellers understanding this form cannot be overstated.

The decision they make at the very beginning of the relationship will determine the services you may, or may not, provide. While they can change their mind about representation later, if they do not sign a written agreement for representation, they are your customer. According to Maine Real Estate Commission law/rules, is a written brokerage agreement required to work with customers? No.

What is the difference between a client or customer relationship? See if you can answer which of the following actions you would do for a client, customer, or both:

Action	Client	Customer
Use a multiple listing service or other resources to locate properties	X	X
Verify seller identity	X	X
Refer buyer to home inspectors and lenders	X	X
Provide and review MREC offer/counter-offer guidelines	X	X
Provide a CMA for buyer prior to accepting counteroffer	X	
Suggest buyer make offer contingent on a CLUE report	X	
Obtain and provide property disclosure information	X	X
Verify accuracy of information	X	
Keep confidential information confidential	X	
Disclose property zoning district	X	X
Disclose adverse possession claim	X	X
Disclose planning board approval of railroad extension	X	

How might you determine if a buyer or seller's expectations are a client or customer relationship?

ASK QUESTIONS!

If a buyer or seller does not want to sign a written agreement for representation after you provided and discussed the Real Estate Brokerage Relationships Form, ask them a question such as:

"I just want to confirm that you understand that as a customer I am not required to keep any information you give to me confidential or work in your best interest, correct?"

If they were not paying attention before that may capture their attention!

SECTION 12. Confidentiality of Offers and Purchase and Sale Contract Terms

1. A real estate brokerage agency or affiliated licensees shall not disclose any terms of an offer or counteroffer to anyone other than the parties to the offer or counteroffer without the prior written permission of the parties prior to withdrawal, expiration or written rejection of the offer or counteroffer.

A real estate brokerage agency or affiliated licensees shall not disclose the terms of an executed contract to anyone other than the parties to the agreement without the prior written permission of the parties prior to the transaction closing or terminating.

Buyer names and addresses are not terms of an offer and shall not be disclosed.

2. Notwithstanding the confidentiality provision contained in Section 12(1) of this chapter, any such document referenced in this section shall be made available to the Director of the Commission upon request.

The previous version of this rule stated that the terms of an offer are confidential during the "pendency of a transaction". The revised language makes it clear that the terms are confidential and require the written permission of the parties prior to withdrawal, expiration or written rejection of the offer or counteroffer. The sentence regarding non-disclosure of buyer names and addresses was added because disclosure could be harmful to a buyer. For example, disclosing a rejected offer in an escalation clause scenario could harm that buyer in future negotiations.

SECTION 13. Licensee's Duty

1. Keep the Designated Broker Informed

An affiliated licensee shall keep the designated broker fully informed of all activities conducted on behalf of the agency and shall notify the designated broker of any other activities that might impact on the responsibilities of the designated broker as set forth in Chapter 400, Section 1 of the Commission's rules, including that an affiliated licensee has terminated affiliation with the agency.

When you're changing agency affiliation, have you discussed with the clients of the agency you were working with what to expect? What is your agency's exit policy?

SECTION 14. Licensee's Duty to Obtain and Provide Disclosure Information on Private Water Supply, Heating, Waste Disposal System, Known Hazardous Materials, Potential Flood Risks and Access to Property

All licensees have a duty to obtain and provide disclosure information on private water supply, heating, waste disposal system, known hazardous materials, potential flood risks, and access to property regardless of their relationship with buyer or seller. Forms used by an agency to provide property disclosure information shall be filled out completely.

1. Listing Licensee

A listing licensee shall be responsible for obtaining information necessary to make disclosures, as set forth in Sections 15 to 20 of this chapter, to buyers and shall make a reasonable effort to assure that the information is conveyed to a selling licensee.

2. Selling Licensee

A selling licensee shall be responsible for obtaining from the listing licensee the information necessary for making written property disclosures, as set forth in Sections 15 to 20 of this chapter, and for assuring that the disclosures are made to buyers.

3. Unlisted Property

In a real estate brokerage transaction where the property is not listed with a real estate brokerage agency, a licensee shall be responsible for obtaining from the seller or other sources to the extent possible the information necessary for making written property disclosures, as set forth in Sections 15 to 20 of this chapter, and for assuring that the disclosures are made to the buyer.

The most important clarifications in this section of Chapter 410 clarify:

- All licensees have a duty to obtain and provide disclosure information, and;
- disclosure information shall be filled out completely – **REGARDLESS OF YOUR RELATIONSHIP WITH THE BUYER AND/OR SELLER.**

Listing licensees (including transaction brokers) are responsible for obtaining information necessary to make disclosures and conveying the information to the selling licensee. The selling licensee is responsible for obtaining information from listing licensee and making sure disclosures are made to buyers.

Who is responsible for obtaining and providing written property disclosure information for the buyer in the following situations?

Licensees in Transaction	Seller Agent	Buyer Agent	Transaction Broker
Seller Agent/Buyer Agent	X	X	
Seller Agent/No Buyer Agent	X		
Seller Agent/Transaction Broker	X		X
Transaction Broker/Buyer Agent		X	X
No Seller Agent/Buyer Agent		X	
Transaction Broker			X

Why are both the buyer agent and the seller agent listed in the first scenario? If a seller agent does not obtain and provide all the required information, the buyer agent must obtain and provide it. Additionally, buyer agents should be verifying property disclosure information for their buyer clients.

SECTION 15. Private Water Supply Disclosure

A licensee listing a single-family residential property, a multifamily property, a residential lot or a commercial property with a residential component served by a private water supply, and a licensee in such transactions when the property is not listed with a real estate brokerage agency, shall ask the seller for the following information:

1. Type of system;
2. Location;
3. Malfunctions;
4. Date of installation;
5. Date of most recent water test; and
6. Whether or not the seller has experienced a problem such as an unsatisfactory water test or a water test with notations.

Such information and any other information **obtained through different sources and means** pertinent to the private water supply shall be conveyed, in writing, to a buyer prior to or during preparation of an offer. The fact that information regarding the private water supply is not available shall also be conveyed, in writing, when such is the case.

An important clarification in some of the disclosure sections, as noted above, is the addition of the language “obtained through different sources and means”. This clarifies the intent all along that licensees ask the seller for disclosure information, but the seller is only one source of that information, and licensees are required to obtain pertinent disclosure information as necessary. Providing thorough and accurate information may involve several other sources of information.

What are some examples of “other information” that may be pertinent to the areas of disclosure? Shared well, seasonal water supply, shared septic, multiple wells, etc.

In gathering information to complete the written disclosures it is important that the licensee listen carefully to the seller. What the seller views as maintenance may be viewed as an undisclosed material defect for the buyer after closing. Pay attention to red flags that may require additional discussion or investigation and ask the seller if they are aware of anything else that was not asked about the property that may be important.

This course covers select 2025 rule changes; to see all the changes, you should review the updated rules effective October 26, 2025, posted on the Real Estate Commission website.



***Remember – Real Estate Commission Rules are MINIMUM Standards.
Is your goal to meet minimum standards?
Or do you set the bar higher for yourself?***

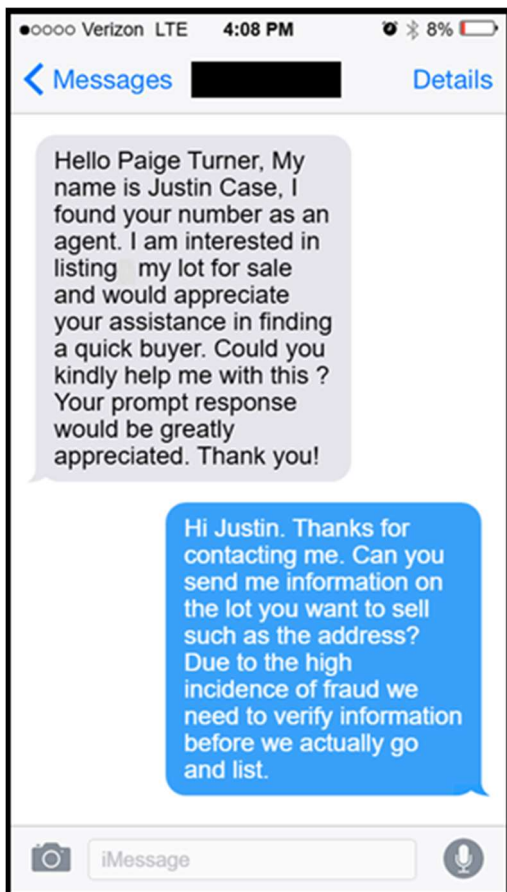
PART 2: Seller Impersonation/Verification

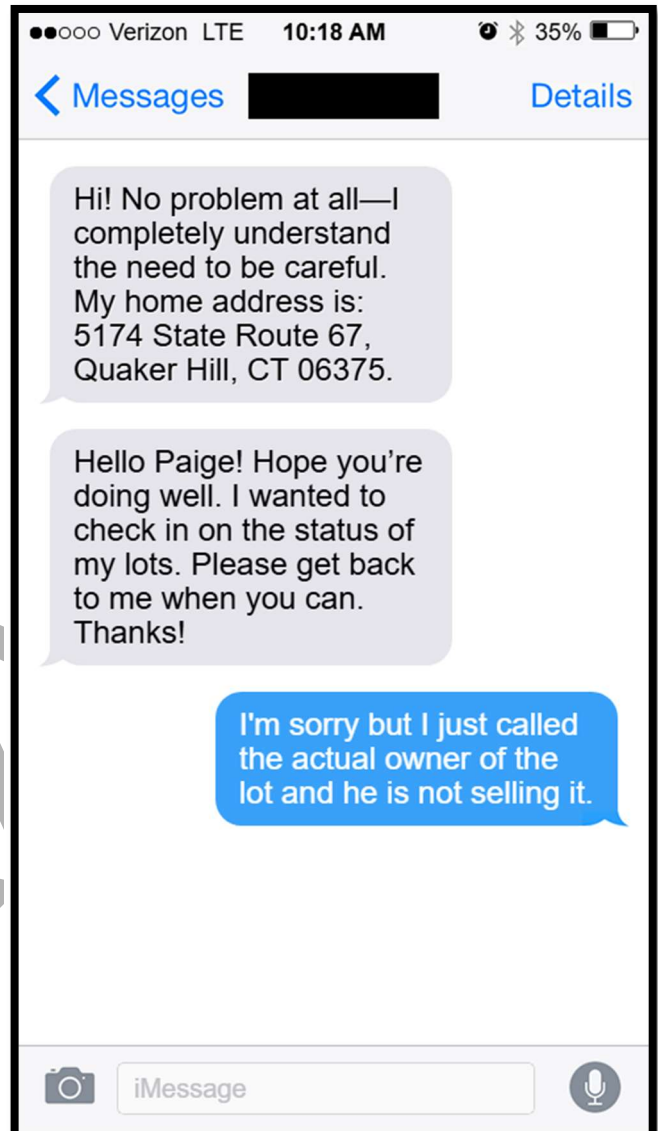
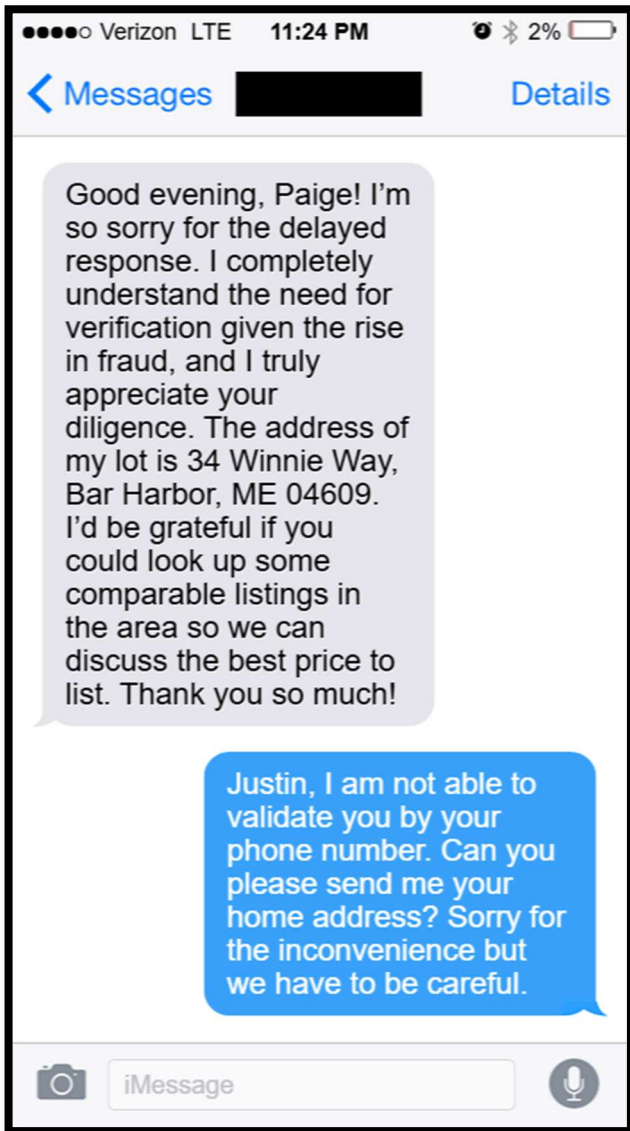
Seller impersonation continues to be an issue in Maine and across the country. Fraudsters are soliciting real estate agents pretending to be property owners.

The way it works is a fraudster posing as a property owner contacts a licensee, usually by email or an online portal, requesting to list a property for sale. They may be contacting multiple licensees about a property. Commission staff received a call from one property owner who said that three licensees call him on the same day. All three told him that he had been emailing them about selling his land. The property owner had not emailed anyone about selling his land and did not even own a computer!

Seller impersonation can lead to very serious consequences for the real property owner, buyers and licensees. Real estate agents are licensed professionals who are trusted to competently transact brokerage services in a manner to safeguard the interest of the public and have a responsibility to take reasonable care and make a good-faith effort to verify the parties in a transaction.

The following is a real-life example experienced by a Maine real estate agent (names and addresses changed).





Licensees may see different variations of this fraud, but they will have points in common.

Transactions involving common seller impersonation red flags should indicate a higher risk of fraud to a licensee and spur them to take extra steps in the verification process.

What are some common red flags that may indicate seller impersonation?

- Seller will not meet in person or engage in video calls – communication is through email and text messages.
- Seller resides out-of-state.
- Subject property has no mortgage or encumbrance.
- Property is raw land or seasonal.
- Seller needs to sell quickly.
- Willing to sell below market value.
- Preference for a cash transaction.
- Mail-away closing requested where seller selects notary (who may also be an imposter).
- Others?

Let's dig a little deeper into steps licensees might take to verify the identity of a seller they are unfamiliar with.

Remote or Email-Only Transactions - a seller requests to conduct the transaction exclusively digital by means without live in-person or virtual meetings.

- Obtain a copy of a government-issued photo ID and confirm it matches the owner of record with the Registry of Deeds.
- Conduct a live video call (Zoom, FaceTime, or similar) to verify identity. Licensee should initiate the zoom meeting and send out the meeting link as there have been reports of licensees being asked to attend a virtual meeting where the seller sends a link to licensee that contains malware.
- Send a letter to the owner of record address requesting confirmation of the attempted sale.
- Contact the seller using a telephone number found in Forewarn, reverse search or another source other than the seller.
- Ask the seller for property and or area-specific questions that they should be able to answer if they own the property.
- Use secure communication methods (e.g., VPN) to protect transmitted data.
- Other ideas?

What steps can you take to verify the authenticity of a transaction as various red flag issues may arise?

Emergency Sale with Below-Market Pricing - a new seller reports a family emergency, requests a rapid cash sale, and agrees to accept substantially less than market value for a short closing timeline.

- Attempt to verify the claimed emergency using public records (e.g., death notices, probate filings, etc.)
- Advise the seller if the price appears unreasonably low and evaluate responses for red flags (cash-only demands, steep discounts, unusually fast closings).

- Review listing history for abrupt withdrawals or significant price changes; contact prior listing or closing agents if appropriate.
- Recognize that rapid sales may indicate title defects, unpaid liens, or property issues; note concern if no earnest money is required with a quick closing.
- Pay close attention to email addresses – a fake email could be one character off from the real address.

No Earnest Money and Accelerated Closing - a new seller does not require an earnest money deposit and insists on rapid closing, potentially to obtain proceeds before fraud is detected.

- Independently verify that funds are being sent to a legitimate attorney or licensee using State Bar or licensing websites.
- Be mindful of direct wire transfers, particularly to foreign accounts, because they are more difficult to trace/recover.

Pressure, Hostility, or Delays Near Closing - buyer or seller becomes hostile, applies pressure to close, fails to meet contract terms, or does not return required paperwork.

- Slow the transaction if needed to ensure the licensee is not facilitating fraud.
- Use a trusted public notary to witness all signatures at closing.

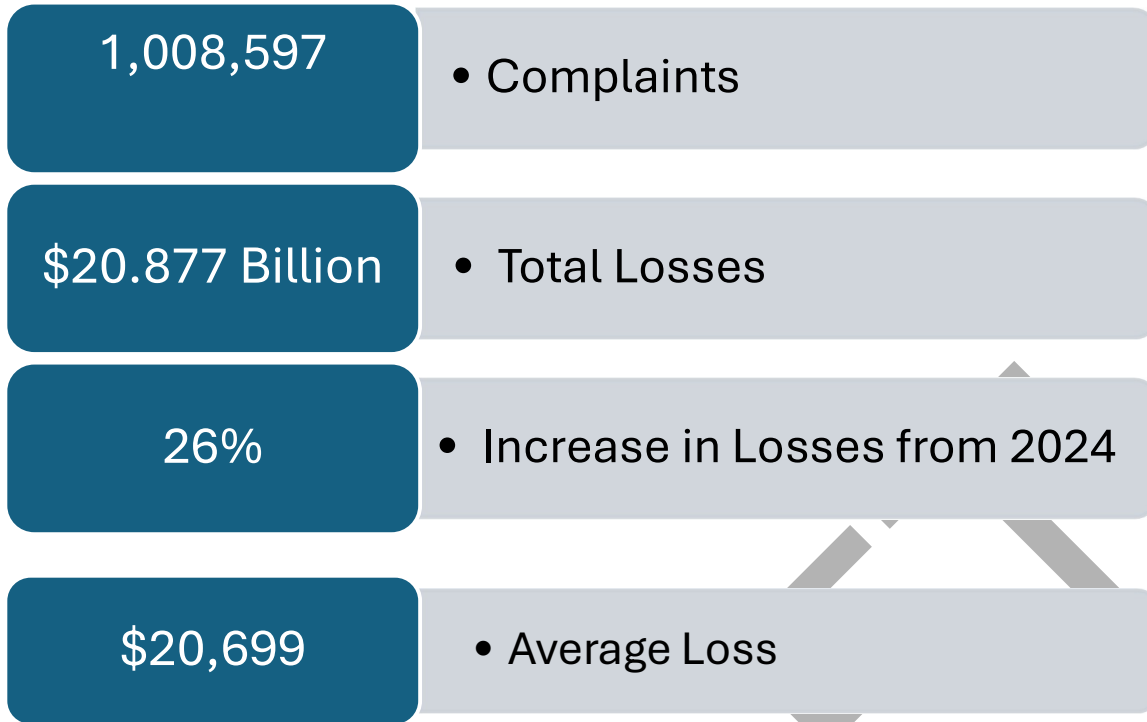
Licensees are responsible for acting in a reasonably prudent manner to avoid errors or information pertinent to a transaction. Discipline can be imposed by the REC for demonstrating a “lack of trustworthiness and competence to transact real estate brokerage services in such manner as to safeguard the interest of the public [32 M.R.S. §13067 – A (1)]. Additionally, verification is important for personal safety concerns; to reduce the risk of fraud; reduce the risk of fake/unenforceable offers; reduce liability of damage to your reputation and potential legal consequences.



***Remember – verifying identity protects everyone in a real estate transaction
- the buyer, seller and licensee -
while helping ensure the transaction is legal, secure and smooth.***

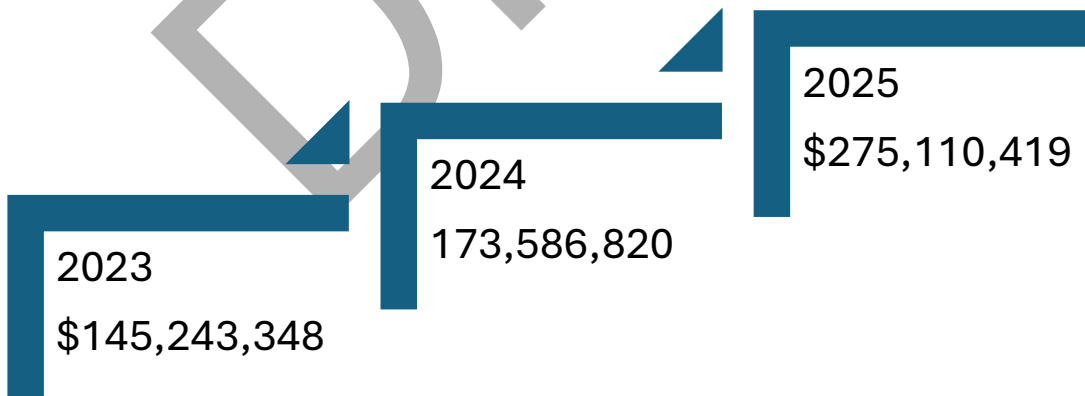
The Internet Crime Complaint Center, maintained by the Federal Bureau of Identification (FBI), is a mechanism provided to the public and private sector for the submission of suspected cyber-facilitated criminal activity. Here you can file a complaint if you believe you have been a victim of cybercrime and be educated about cyber threats and scans. According to their 2025 annual report, the instances of cybercrime are increasing.

2025 BY THE NUMBERS



According to the 2024 report, 55 cases of real estate crime in Maine were reported to the FBI complaint center in 2024 for a total loss of \$1,547,418. This figure accounts for all real estate-related fraud cases and is not broken down into the type of real estate fraud.

While the 2025 report does not break real estate crime down to individual state statistics, it reveals a sharp rise in cyber-facilitated real estate crime nationally:



If you believe you have been approached by a fraudulent seller you do not have to take the listing and should report it to 1-800-CALL-FBI, or online at tips.fbi.gov or www.ic3.gov.

A helpful tip to provide clients: sign up for fraud alerts with Maine Registry of Deeds. This is a free service which alerts landowners to documents recorded in their name:

<https://www.maineregistryofdeeds.com/#:~:text=Maine%20officials%20and%20lawmakers%20continue,com/fraudalert/?CC=MELIN>

DB DISCUSSION POINT

***What are Designated Brokers doing to help affiliated licensees
Verify identity?***

- ✓ ***Does your Policy & Procedure Manual address the issue?***
- ✓ ***When was the last time you reviewed your manual?***
- ✓ ***Do you offer buyer/seller identification training?***



PART 3: Artificial Intelligence (AI):

Artificial Intelligence is the field of computer science in which machines or software are created that can perform tasks that normally would require human intelligence. The machine or software is programed, to some extent, to learn or think. Unlike the humans who learn from things like people or books, AI learns from data.

The difference between human intelligence and AI is that AI does not truly understand things. Human understanding is based on experiences, emotions and is grounded in reality. AI “understanding” is learned from data patterns and is not grounded in real experiences or conscious thought.

Think about the times you have gone on a trip and entered the destination in your GPS. It gives you a route to that destination, but it is not always the best route. You may know a shortcut that the GPS does not suggest. That is because the GPS understands directions functionally whereas you can understand directions both functionally and experientially.

Artificial Intelligence is prevalent in the real estate industry.

AI is used in:

- Social media
- Preparing CMA’s
- Preparing pre-listing presentations
- Listing descriptions
- Blog posts
- Email campaigns
- Chatbots
- Image generation
- Video scripts
- Targeted advertisement optimization
- Automated responses to inquiries

AI tools can increase efficiency, but they also introduce new compliance risks for licensees and you are ultimately responsible for the AI output.

Potential risks & legal concerns with AI:

Accuracy & Misrepresentation - AI may exaggerate property features, add unverified claims or create inaccurate descriptions.

- The licensee must double check everything. If AI says: “Brand-new roof” the licensee should be verifying that the entire roof *is* new, not just the shingles before advertising it as such.

Fair Housing Risk - AI-generated content may insert biased language, emphasize demographics unintentionally, suggest exclusionary phrasing.

- For example, AI may generate phrases like: “Ideal for families”, “Perfect for young professionals”, “Safe neighborhood”. These can create Fair Housing concerns.

Copyright & Ownership Issues - Never assume AI-generated content is automatically safe for commercial use.

Designated Broker Supervision & Approval – AI does not remove a designated broker’s supervisory responsibility to review manage and oversee affiliated licensees and unlicensed persons involved in the operation of the agency and all branch offices.

AI Advertisement Scenarios

Scenario #1: Using AI to create a property description

A licensee takes the following photo of their new listing:



Licensee uploads the photo to an AI tool asking it to create a property description, then without proofreading the full AI generated description, uses it in a property advertisement.

Back to search



\$449,900

3 bd | 2 ba | 1,344 sqft

12 Meadow Ridge Lane
Buxton, ME 04093

For sale

Zestimate®: \$447,100

Est. payment: \$2,687/mo

Get pre-qualified

Request a tour

Contact agent



Overview Facts and features Price and tax history Monthly cost Neighborhood

This newly constructed home in Buxton offers comfortable one-level living, and a peaceful setting with open sky views set on a gently sloping lot.

Inside, the main level provides convenient single-floor living, while the full walkout basement offers the potential for additional finished space, storage, or a workshop.

The lower level opens directly to the yard, providing flexibility for future expansion.

The lot offers room for landscaping while maintaining a sense of privacy and openness. The covered entry porch provides a comfortable space to enjoy the surrounding landscape and seasonal views.



Travel times

Add work destination

Using your limited knowledge of the property based on the prompt and the photo, what areas of the AI generated response could be problematic? Are there areas where the software is “filling in the gaps” of what the photo/prompt is lacking? What potential problems or violations do you see?

This description may be filled with potential misrepresentation/puffing that would only be known if the agent/buyer had visited the home in person. Is the home newly constructed or recently renovated? Is it single floor living or is there finished space in the basement? Is there potential for additional finished space? Is the location private or is there a subdivision across the street? AI generated ads must be reviewed closely to ensure they are not misleading.

Scenario # 2: AI Social Media Advertisement

A buyer agent wants to quickly create a social media advertisement for a listing they just sold. They decide to use an AI tool to generate a photo and a caption for the post.

Original Image



AI Altered Image



The original listing photo and following prompt were entered into AI software: *“Using the photo provided, create a social media post with a caption announcing that I represented the buyer for this home that just sold in a quiet neighborhood.”*

AI provides the following response with the altered image: *“I’m excited to share that this beautiful home has officially SOLD, and I had the pleasure of representing the buyer in this transaction! My buyers were thrilled to find such a wonderful home. I’m so happy for them as they begin this next chapter in a place that truly feels like home.*

If you or someone you know is looking for a home in a safe, family-friendly neighborhood, I’d love to help you find the perfect fit! Reach out anytime to get started.”

Is this image and caption suitable for public advertising on social media?

What potential problems or violations do you see?

- Fair Housing? Phrases such as “family-friendly neighborhood” may suggest a preference for certain groups of people. Advertising should be focused on property features, not people.
- Advertising Rules. Is the brokerage agency information prominently displayed on the image?
- Does the buyer agent have permission to use the listing agent’s photo?
- Misrepresentation: Does the sun set in this location? Did it remove the propane tank?

Based on what we see from the original listing photo, is the AI generated image free from deception?

Be careful of potentially misrepresenting the property when using AI generated/altered images. All images should be free from deception and cannot misrepresent the condition of the real estate.

Following are additional examples of AI generated photos. Can you identify any potential issues?

Artificial generation of a burning fire:

Original image



AI altered image



- Are you certain that the fireplace works?
- What if the fireplace does not work?

Demonstration of the potential of unused space:

Original image



AI altered image



- What might a reasonable potential buyer expect when viewing this listing?
- What if someone purchases the home sight-unseen?

DRAFT

Original image



AI altered image



What could be the issue with adding a sunrise or sunset view to a listing photo? What if this is a northerly/southerly facing window?

If you are using AI to enhance photos, are you clearly identifying the use of AI?

As set forth in Chapter 410 Section 1(5):

Deception and Misrepresentation Prohibited

Advertising must be free from deception and shall not misrepresent the condition of the real estate, terms of the sale or purchase, real estate brokerage agency policies, or real estate brokerage services.

Suggestions When Using AI in Advertising

- Treat it as a drafting assistant — not an autopilot.
- Always review for Fair Housing compliance.
- Verify all factual claims.
- Review for accurate representation of the property.
- Ensure prominently displayed agency tradename
- Ensure imagery is properly licensed.
- Run content through your broker approval process.

Ask:

- Would I publish this if I had written it myself?

BOTTOM LINE: Artificial Intelligence and technology may assist a licensee in their work, but the responsibility remains with the licensed professional to ensure content is factual, lawful and relevant. These tools can increase productivity, but they lack the ability to exercise judgement, understand laws/rules, and bear no responsibility for their errors or omissions. It is best to always treat AI responses

as a first draft. While AI can help you work faster, it does not ensure that you are compliant with laws and rules.



Remember – Artificial Intelligence is another tool you can add to your toolbox, but if you are using it, you are responsible for it.

Wrap-Up

Real Estate brokerage is constantly evolving and today it is changing faster than ever due to technology, consumer expectations and market dynamics. Licensees must be aware of industry changes such as those covered in this course so they can effectively serve consumers. You are the professional, and clients will rely on your expertise and knowledge throughout real estate transactions.

Technology has drastically changed the way real estate transactions are conducted. Digital, paperless transactions are becoming commonplace. While technology may have changed the way you are doing business, it has not changed your responsibilities to clients and customers.

DRAFT



Office of Professional & Occupational Regulation

Real Estate Commission
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TTY USERS CALL MAINE RELAY 711
E-Mail: Catherine.Pendergast@maine.gov

MEMORANDUM

To: Real Estate Commission Members
From: Catherine E. Pendergast, Director
Date: April 22, 2026
Subject: Qualifying Education Course Outline Revisions

As a result of changes to Chapter 400: REAL ESTATE BROKERAGE AGENCY AND DESIGNATED BROKER RESPONSIBILITIES and Chapter 410: MINIMUM STANDARDS OF PRACTICE effective October 26, 2026, revisions are required for the qualifying education course guidelines.

Revisions include updated rule references, the addition of flood risk and access to property disclosures and the title of the Designated Broker Course changed.

Information regarding new laws affecting real estate brokerage are also attached. These have been distributed to qualifying education providers so they can be incorporated into approved qualifying education courses.

An in-depth review of the qualifying education guidelines will be done. This update is intended to correct inaccurate information and prevent confusion.

Maine Real Estate Commission

The Sales Agent Course

Outline

Approved: 8/15/2013 Effective 1/1/2014
This outline replaces the outline approved January 2006

Requirement Overview:

This course, at a minimum, must be 55 hours in length, include 3 quizzes and a final exam and meet other standards established in the Minimum Guidelines for the Sales Agent Course approved January 24, 2013, attached and made part of this outline.

Course Objective:

This course is designed to introduce students to the elements of real estate brokerage. The order of topics may be arranged to fit the instructor's teaching style. Some topics lend themselves to coverage by straight lecture; exercises are appropriate for other topics. Course percentages are based on course instruction and do not include quiz or exam time.

► Introduction (1%)

Maine Real Estate Commission expectations, bathrooms, parking, attendance, snow days, grades

► Industry Overview/Organization (1%)

Objectives: Upon completion of this section, students will recognize how the industry is organized, who the players are, and where they fit. They will also recognize that each real estate transaction is considered to have two sides, a listing side and a sales side and will be introduced to the job descriptions of a listing licensee and a selling licensee.

❖ Identify the players

- Real Estate Commission
 - ✓ Powers of the Real Estate Commission
 - Enforce license law
 - Discipline brokers
 - Oversight of education
 - Issuing licenses
 - Types of license
 - Agency umbrella
- Agencies
 - ✓ REALTORS®
 - ✓ Franchises
- Appraisers
- Lenders
- Title Companies
- Inspectors

❖ Identify a transaction flow chart for buyers

❖ Identify a transaction flow chart for sellers

► Maine Real Estate Commission (13%)

Objectives: Upon completion of this section, students will recognize the role of the Real Estate Commission, its authority and its impact on the daily practice of real estate. Students will identify Real Estate license laws and the minimum standards of practice required by the Real Estate Commission and demonstrate the ability to properly complete a property disclosure form.

❖ Provide an overview of the Maine Real Estate Commission

- Mission and powers of the Real Estate Commission

Revised effective 5/21/2026 to reflect rule changes effective 10/26/2025

Maine Real Estate Commission

The Sales Agent Course

Outline

- ✓ Composition
- ✓ Investigations
- ✓ Hearings
- ✓ Disciplinary sanctions
- Differentiate between Commission rules, REALTOR® ethics, office policies & Multiple Listing Service (“MLS”) requirements.

- ❖ **Explain Maine license law & rules governing licensees**
 - What constitutes the practice of real estate brokerage. (32 MRSA §§13001-13003)
 - The different license categories (32 MRSA §§13198-13200)
 - Requirements of license law and rules governing brokerage contracts. (32 MRSA §13177-A and Chapter 410 **Commission Rules**)
 - Causes for disciplinary action. (32 MRSA §13067-A, Title 10 §8003 5A)
 - ✓ The complaint process
 - ✓ Disciplinary sanctions
 - Chapter 400 with particular attention to:
 - ✓ Designated Broker supervisory duties
 - 90-day rule
 - ✓ Trust Accounts – definition & records
 - 5-business day rule on deposits
 - Undisputed and disputed deposits
 - ✓ Record retention
 - Chapter 410 (**minimum standards of practice**)
 - ✓ Advertising
 - ✓ Acting in Self-interest
 - ✓ Market Value (“nobody role”)
 - ✓ Net Listing Prohibited
 - ✓ Duty to Furnish Documents
 - ✓ Disclosure of Compensation Policy
 - ✓ Disclosed Dual Agency
 - ✓ Appointed Agent Procedures and Disclosure
 - ✓ Real Estate Brokerage Relationships Procedures
 - ✓ Solicitation of Brokerage Agency Contracts
 - ✓ Inducements
 - ✓ Confidentiality of Contract Terms
 - ✓ Licensee’s Duty to the Designated Broker
 - Domain names and Websites
 - ✓ Licensee’s Duty to Obtain and Provide Disclosure Information on Private Water Supply, Heating, Waste Disposal System ~~and~~, Known Hazardous Materials, **Potential Flood Risks and Access to Property**
 - ✓ Referral Fees

- ❖ **Explain other property conditions and disclosures**
 - Environmental issues and hazards:
 - ✓ Federal lead-based paint disclosure
 - ✓ Arsenic (wood and water pamphlets)
 - ✓ Asbestos
 - ✓ Radon
 - ✓ Mold
 - ✓ Endangered and protected species
 - ✓ Wetlands and flood plains
 - ✓ Farmland Adjacency (7MRSA §51-59)

Maine Real Estate Commission

The Sales Agent Course

Outline

- ✓ Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS)
- ✓ Water quality of bodies of water
- ✓ Hazardous waste sites
- Material Defects
 - ✓ Leaking roof
 - ✓ Rotted sills
 - ✓ Water in the basement
 - ✓ Etc.
- Liability Considerations
 - ✓ Potential liability related to information-gathering skills
 - Sources of reliable information
 - ✓ When to suggest the client seek expert advice
 - ✓ Differentiate between the three types of misrepresentation
 - ✓ Innocent
 - ✓ Negligent
 - ✓ Fraudulent

- ❖ Distinguish between material facts and material defects
- ❖ Explain components of and complete property disclosures

► Agency Relationships (13%)

Objectives: Upon completion of this section, students will be able to recognize the importance of agency and non-agency relationships in the practice of real estate, how they are formed and how they are documented.

- ❖ Explain the Law of Agency/Brokerage, Presumption of Transaction Brokerage (32 MRSA § 13271,13272,13273, 13274, 13275, 13278, 13282 & 13283)
 - Vicarious liability
 - Imputed knowledge
 - Fiduciary duties
 - Potential consequences of vicarious liability, imputed knowledge & breach of fiduciary duty
 - Termination of agency relationship and obligations after termination
 - Requirement of a written brokerage agreement with a client to create an agency relationship (32 MRSA 13177-A)
 - Components of a Brokerage agreement with a client
 - Appropriate use of and proper practice regarding the Real Estate Brokerage Relationships Form (32 MRSA §13279 & Chapter 410 Section 9)
 - Role of a company's written policy on agency relationships

► Product Knowledge (28%)

Objectives: Upon completion of this section, students will recognize property characteristics and interests, public and private limitations on property rights, the recording system, and how rights and real estate are conveyed.

- ❖ Explain Real Property Characteristics
 - The difference between real & personal property
 - Real property descriptions
 - ✓ Metes & bounds
 - ✓ Reference to a lot on a plan
 - ✓ Rectangular survey system
 - ✓ Mortgage loan inspections vs. boundary survey
 - ✓ Other
 - Estates & real property:

Maine Real Estate Commission

The Sales Agent Course

Outline

- ✓ Fee simple
 - Absolute
 - Condition subsequent
 - Determinable
- ✓ Life estate
 - Estate pur autre vie
 - Remainder
 - Reversion
- Rights of property owners under each estate
- Bundle of rights
 - ✓ Right to occupy
 - ✓ Right to sell
 - ✓ Riparian rights
 - ✓ Mineral rights
 - ✓ Right to do nothing at all
 - ✓ Right to lease
 - ✓ Right to encumber
 - ✓ Other
- Interests in real estate
 - ✓ Adverse possession
 - ✓ Easements
 - Types
 - Creation
 - Termination
 - ✓ Profit
 - ✓ License
 - ✓ Leasehold interests
 - ✓ Liens
 - Internal Revenue Service (“IRS”)
 - Property tax
 - Utility
 - Lis pendans
 - Mechanic’s
 - Materialmen’s
 - Estate tax
 - ✓ Mortgages
 - Foreclosure
 - Short Sale
- ❖ **Explain Leasehold Estates**
 - Creation and termination of various types of leasehold arrangements
 - ✓ Estate for years
 - ✓ Estate from year to year/periodic estate
 - ✓ Tenancy at will
 - ✓ Tenancy at sufferance
 - ✓ Holdover tenant
 - ✓ Effect of lease on sale and foreclosure
 - Types of leases
 - ✓ Gross
 - ✓ Net
 - ✓ Index
 - ✓ Percentage
 - ✓ Ground

Maine Real Estate Commission

The Sales Agent Course

Outline

- ✓ Graduated
 - Maine Landlord-Tenant Act (14 MRSA §§6001 – 6050)
 - ✓ Landlord rights and responsibilities
 - Warranty of habitability
 - Right of access
 - Discuss security deposits
 - Amount
 - Security Deposit Escrow Account
 - Return
 - Purpose
 - Late fees
 - Eviction
 - Forcible entry & detainer
 - Constructive
 - Abandoned property
 - Lead based paint
 - Other
 - ✓ Tenant rights and responsibilities
 - ✓ Terms of lease clauses
 - Maintain property
 - Pay rent on time
 - Assignment/Subletting
 - Pets
 - Other
 - Obligations of the property manager to the property owner
- ❖ **Provide an overview of land use controls and restrictions:**
- Private land use controls
 - ✓ Deed restrictions/restrictive covenants
 - ✓ Association rules
 - Condominium rules and regulations
 - Neighborhood associations
 - ✓ Condition subsequent/determinable
 - Public police powers of government
 - ✓ Zoning
 - Maps
 - Ordinances
 - Enforcement
 - Nonconforming use
 - Building permits
 - Variances
 - Building codes
 - Spot zoning
 - Maine Land Use Laws
 - ✓ Subdivision (30-A MRSA §§4401-4408)
 - ✓ Shoreland zoning (38 MRSA §§435-449)
 - ✓ Transfer of shoreland property [shoreland & coastal shoreland] (30-A §4216)
 - ✓ Site location and development (38 MRSA §§481-490)
 - ✓ Underground storage tanks (38 MRSA §§561-570M)
 - ✓ Natural Resources Protection Act (38 MRSA §§480A – 480-HH)
 - ✓ Minimum lot size (12 MRSA §§4807 – 4807G)
 - ✓ Land Use Planning Commission (“LUPC”) (12 MRSA §§681-689)
 - ✓ Department of Environmental Protection (“DEP”) (38 MRSA §§341-A – 358)

Maine Real Estate Commission

The Sales Agent Course

Outline

- ✓ Conversion of seasonal dwellings (30-A MRSA §4215 and DHHS Chapter 242)
- ✓ Protection of endangered/protected species (12 MRSA §§12801-2810)
- ✓ Other
- Property taxation and exemptions
 - ✓ Homestead
 - ✓ Tree growth (36 MRSA §§571-584-A)
 - ✓ Open space/Farmland tax law (36 MRSA §§1101-1121)
 - ✓ Legally Blind
 - ✓ Veterans
- ❖ **Explain Property Ownership & Transfer**
 - Various types of property ownership that apply in Maine
 - ✓ Sole ownership (severalty)
 - ✓ Tenants in common
 - ✓ Joint tenancy
 - ✓ Partnership
 - ✓ Corporate
 - ✓ Estate
 - ✓ Condominium
 - Public offering statement
 - Resale documents
 - Restrictions
 - Unit boundaries
 - Association management issues
 - ✓ Timeshare
 - ✓ Cooperative
 - ✓ Trusts
 - ✓ PUD
 - Additional forms of property ownership
 - Tenancy by the entirety
 - ✓ Community property
 - ✓ Dower & Curtesy
 - Methods of transfer
 - ✓ Voluntary alienation
 - Deeds
 - Will
 - Heirs at law
 - ✓ Involuntary alienation
 - Adverse possession
 - Eminent domain
 - Escheat
 - Foreclosure
 - Petition for partition
 - Race, race-notice and notice recording systems
- ❖ **Explain Transfer of Title**
 - Types of deeds
 - ✓ Warranty (general warranty)
 - Covenant of seisin
 - Covenant of right to convey
 - Covenant against encumbrances
 - Covenant of quiet enjoyment
 - Covenant of warranty

Maine Real Estate Commission

The Sales Agent Course

Outline

- Covenant of further assurances
- ✓ Quit claim
- ✓ Quit claim with covenant
- ✓ Personal representative
- ✓ Trustees
- ✓ Corporate
- ✓ Other
- Assorted title defects
 - ✓ Interest of a missing heir
 - ✓ Fraudulent conveyance
 - ✓ Incompetent grantor
 - ✓ Undischarged mortgage or liens
 - ✓ Boundary lines
 - ✓ Encroachments
 - ✓ Etc.
- ❖ **Explain Sources of property information for property disclosures and data sheets**
 - Registry of Deeds
 - ✓ Current owner's deed
 - Book and page
 - Easements
 - Restrictions
 - Recorded plot plan
 - Property description
 - Local governing authority
 - ✓ Taxes
 - ✓ Tax card
 - ✓ Tax assessments
 - ✓ Tax exemptions
 - ✓ Zoning
 - ✓ Code compliance
 - Other sources as appropriate:
 - ✓ Service Providers
 - ✓ Department of Environmental Protection ("DEP")
 - ✓ Land Use Planning Commission ("LUPC")
 - ✓ Department of Transportation ("DOT")
- ❖ **Explain basic house styles and construction terminology**
 - House styles
 - ✓ Ranch
 - ✓ Cape
 - ✓ Split level
 - ✓ Split entry
 - ✓ Garrison
 - ✓ Manufactured
 - ✓ Modular
 - ✓ Contemporary
 - ✓ Gambrel
 - ✓ Etc.
 - Building components
 - ✓ Rafters
 - ✓ Sheathing
 - ✓ Joists

Maine Real Estate Commission

The Sales Agent Course

Outline

- ✓ Sills
- ✓ Studs
- ✓ Foundation
- ✓ Flashing
- ✓ Etc.

► **Property Valuation and the Appraisal Process (9%)**

Objectives: *Upon completion of this section students will be able to recognize different types of value, recognize principles of value, and calculate value using the three different approaches.*

- ❖ **Explain types of value**
 - Market value
 - Assessed value
 - Insurance value
 - Condemnation value
 - Liquidation value
- ❖ **Explain principles of value**
 - Location
 - Condition
 - Contribution
 - Supply & demand
 - Substitution
 - Highest & best use
 - Competition
 - Depreciation
 - ✓ Physical
 - ✓ Economic/External
 - ✓ Functional
- ❖ **Calculate estimates of property value and investment analysis**
 - Market data approach
 - Income approach
 - ✓ Cap rate
 - ✓ Gross Rent Multiplier (“GRM”)
 - ✓ Gross Income Multiplier (“GIM”)
 - Cost approach
- ❖ **Explain appraisal law as it relates to sales agents (32 MRSA §14004 [2])**

► **Financing the Transaction (9%)**

Objectives: *Upon completion of this section students will be able to recognize various financing options, financing terms and lender requirements to obtain a loan.*

- ❖ **Identify sources of financing**
- ❖ **Differentiate between primary and secondary market**
- ❖ **Explain various mortgage terms**
 - Points
 - Package (real and personal property)
 - Blanket

Revised effective 5/21/2026 to reflect rule changes effective 10/26/2025

Maine Real Estate Commission

The Sales Agent Course

Outline

- Junior/senior
- Wraps

- ❖ **Explain the mortgage qualification process**
 - Explain the role of credit scores
 - Explain the role of front end and back-end ratios

- ❖ **Explain various types of financing instruments**
 - Mortgage note
 - Mortgage deed
 - ✓ Acceleration clause
 - ✓ Defeasance clause
 - Bond for deed/contract for deed/installment land sale
 - Deed of trust

- ❖ **Differentiate between different types of financing programs**
 - Federal Housing Administration (“FHA”)
 - Veterans Administration (“VA”)
 - Conventional insured
 - Conventional
 - Nonconventional
 - Maine Housing Authority
 - Construction
 - Rural Development (Direct and Guaranteed)
 - Seller financing

- ❖ **Contrast types of repayment**
 - Amortizing
 - Balloon
 - Term
 - Adjustable-Rate Mortgage (ARM)
 - Biweekly

- ❖ **Explain lender requirements and obligations**
 - Insurance
 - Escrow
 - Title insurance – lenders/owners policy
 - Mortgage inspection survey
 - Appraisal
 - Title search
 - Job history
 - Collateral
 - Credit rating
 - Property condition
 - Down payment/closing costs

- ❖ **Explain Predatory lending/mortgage fraud**
 - Title 33, Subsection 506 “Undocumented Mortgage Agreements”
 - Lenders changing rates & terms

Maine Real Estate Commission

The Sales Agent Course

Outline

► Contracts (14%)

Objectives: Upon completion of this section students will be able to recognize types, elements, creation and termination of contracts and be able to accurately complete brokerage and purchase and sale agreements.

❖ Define types of contracts

- Valid
- Void
- Voidable
- Bilateral
- Unilateral
- Executory
- Executed
- Enforceable

❖ Explain the elements and creation of a valid contract

- Competent parties
 - ✓ Legal age
 - ✓ Mental capacity
 - ✓ Duress
 - ✓ Undue influence
- Legal purpose
- Offer (including Maine Real Estate Commission offer & counteroffer guidelines)
 - ✓ Verbal/written
 - ✓ Valid until or unless:
 - Revocation
 - Expiration of time
 - Counteroffer
 - Death of offeror
 - Death of offeree
 - Communicated acceptance
 - Rejection
- Acceptance
 - ✓ Mutual assent/meeting of the minds
 - ✓ All parties and interests
- Consideration
 - ✓ Exchange of value
- Communication of acceptance creates a valid contract
- Identify effective date of contract

❖ Explain the Statute of Frauds

❖ Discuss termination of Contracts

- Complete performance
- Expiration of time
- Default/Breach
- Death
- Unmet contingencies

❖ Types of contracts involved in real estate:

- Brokerage agreements
 - ✓ Seller client agreements (must be in writing per license law)
 - Exclusive right to sell

Maine Real Estate Commission

The Sales Agent Course

Outline

- Exclusive agency
- Open (nonexclusive)
- ✓ Buyer client agreements (must be in writing per license law)
 - Exclusive right to buy
 - Exclusive agency
 - Open (nonexclusive)
- ✓ Content of a brokerage agreement with a client (32 MRSA §13177-A)
- ✓ Transaction broker agreements
 - Written
 - Verbal
- Other real estate agreements
 - ✓ Purchase & sale agreements
 - ✓ Leases
 - ✓ Options
 - ✓ Right of first refusal
 - ✓ Installment sale contract
- ❖ **Properly complete industry agreements**
 - Brokerage agreements
 - ✓ Seller
 - ✓ Buyer
 - ✓ Disclosed dual agency form
 - ✓ Appointed agent consent form
 - Purchase and sale agreements
 - ✓ Contingencies for buyer
 - ✓ Contingencies for seller
 - Discuss unauthorized practice of law
 - ✓ Changing pre-printed forms
 - ✓ Writing contingencies

► Closings (8%)

Objectives: Upon completion of this section students will be able to recognize settlement documents, State and Federal requirements and calculate closing costs.

- ❖ **Explain and calculate closing costs and identify the responsible party**
 - Transfer tax ([Title 36, §4641-A](#))
 - Prorations
 - Escrows
 - Recording fees
 - Points
 - Non-resident withholding
 - Title exam
 - Title Insurance
 - Commission
- ❖ **Calculate buyer cost and seller proceed sheet**
- ❖ **Recognize settlement documents**
 - Settlement statement
 - Declaration of value form
 - Deed
 - Mortgage documents

Revised effective 5/21/2026 to reflect rule changes effective 10/26/2025

Maine Real Estate Commission

The Sales Agent Course

Outline

- Residency affidavit
- ❖ **Prepare the buyer and/or seller for closing as appropriate**
 - Walk-through
 - Occupancy
 - Cashier's check
 - Keys
 - Transfer utilities
 - Insurance binder/policy
 - Garage door openers
 - Proration of fuel (oil, propane, wood)
 - Date, time and location
 - Review settlement statement before closing
 - Cancellation of services
- ❖ **Explain Real Estate Settlement Procedures Act ("RESPA")**
 - Transactions covered
 - TILA-RESPA Integrated Disclosure rule
 - ✓ Loan Estimate
 - ✓ Closing Disclosure
 - Booklet on settlement costs
- ❖ **Relate items on buyer cost and seller proceed sheet to TILA-RESPA Integrated Disclosure - Closing Disclosure**

► **Miscellaneous Federal/State laws governing Real Estate Activities (4%)**

Objectives: *Upon completion of this section students will be able to recognize the applicability of the following miscellaneous laws to their practice of real estate.*

- ❖ **Explain the tax ramifications of residential real estate ownership**
 - Deductibility of interest and real estate taxes
 - \$250,000/\$500,000 capital gains exemption
- ❖ **Explain the Foreign Investment in Real Property Tax Act ("FIRPTA")**
- ❖ **Explain Civil Rights Acts/Fair Housing Acts for sales and rentals**
 - Provisions
 - Violations
 - Enforcement/penalties
 - Exceptions
 - Advertising
 - Required poster
- ❖ **Explain Americans with Disabilities Act (ADA)**
 - Define Americans with disabilities
 - Identify the properties to which the law applies
- ❖ **Explain anti-trust laws**
 - Describe conspiratorial behavior
 - Explain price fixing
 - Explain boycotting
 - Explain tying arrangements

Revised effective 5/21/2026 to reflect rule changes effective 10/26/2025

Maine Real Estate Commission

The Sales Agent Course

Outline

- Allocations
 - ❖ **Explain Truth in Lending Act (TILA)**
 - List triggering terms used in advertising
 - List required financing disclosures
 - ❖ **Equal Credit Opportunity Act (ECOA)**
 - ❖ **Equal Employment Opportunity Commission (EEOC)**
 - ❖ **Identify marketing controls**
 - Do not call lists
 - Faxing restrictions
 - E-mail restrictions
- ▶ **Conclusion**
- ❖ What happens next?
 - Documented Field Experience Form

Maine Real Estate Commission

The Sales Agent Course

Outline

Maine Real Estate Commission Minimum Guidelines for Qualifying Education The Sales Agent Course

Approved by Commission January 24, 2013
Live Delivery Guidelines - Effective August 1, 2013
Distance Education Guidelines - Effective January 24, 2013

These guidelines replace the January 2006 guidelines.

The course must comply with the provisions of Chapter 360 Section 3 of the Commission's rules and:

- Course length 55 hours
- Passing Grade 75%
- Time allotted for quizzes/final exam shall not exceed 10% of course length
- Quizzes – 3 consisting of a minimum of 60 questions total; question format to be objective with definitive answer; quizzes to be administered at appropriate intervals to assess student's understanding of material covered to date; quiz and exam questions should not be repetitive and upon completion of quiz provide students with explanation of why wrong answers are wrong and sufficient information for students to understand which answer is correct.
- Final exam – minimum of 80 questions weighted according to the percentage assigned to the topic in the course outline; question format to be objective with definitive answer and final exam to be administered at the end of the course.
- Students must receive the following at the beginning of the course:
 - ✓ Course outline
 - ✓ Maine Real Estate Commission Course Guidelines
 - ✓ Instructors contact information
 - ✓ Technology requirements to complete the course
 - ✓ Policy of cheating or misrepresenting student identity
 - ✓ Learning objectives
 - ✓ Course completion deadline

Additional guidelines for Live Delivery Courses:

- Required attendance 90%
- Quizzes and Final Exam - no open book or take home and scored by instructor.
- Course grade weighting – final exam 50%; quizzes 30%; the remaining 20% may include case studies, open book/take home exercises, participation etc.

Additional guidelines for Distance Education Courses: Course shall be certified by the Association of Real Estate License Law Officials (ARELLO) or meet the following guidelines:

- Delivery formats limited to CD-ROM-based training; Internet/web-based or webinar-type courses and paper correspondence.
- Include a minimum of two case studies as part of the course content.

Maine Real Estate Commission

The Associate Broker Course

Outline

Approved: 8/15/2013 Effective: 3/1/2014
This outline replaces the outline approved March 2006

Requirement Overview:

This course, at a minimum, must be 60 hours in length; include 3 quizzes and a final exam; receipt of completed Documented Field Experience Form and meet other standards established in the Minimum Guidelines for The Associate Broker Course approved January 24, 2013, attached and made part of this outline.

Course Objectives:

This course is designed to help licensees develop a deeper understanding of the elements of real estate brokerage topics presented in The Sales Agent Course and to apply course material to everyday real estate brokerage activities. The order of topics may be arranged to fit the instructor's teaching style. Some topics lend themselves to coverage by straight lecture; exercises are appropriate for other topics. Course percentages are based on course instruction and do not include quiz or exam time.

► Introduction (1%)

Maine Real Estate Commission expectations, facility information, attendance, snow days, grading, etc.

► Maine Real Estate Commission ("MREC") (9%)

Objectives: *At the conclusion of this section licensees will be able to:*

- apply Maine license law and rules to various situations in real estate practice
- complete property disclosure.

❖ Briefly review Structure of License Law and MREC Rules

- Procedure & disciplinary action (32 MRSA §13061, §13062, §13067-A, §13068)
 - ✓ Policy (32 MRSA §13061)
 - ✓ Organization (32 MRSA §13062)
 - ✓ Disciplinary action (32 MRSA §13067-A & Title 10 §8003 5A)
 - ✓ Decisions (32 MRSA §13068)
- Continuing Education (32 MRSA 13197)
- Reporting to the Real Estate Commission (32 MRSA §13175 & §13195)

❖ Practice-related Issues

- Advertising (32 MRSA §13176 and Chapter 410 Section 1 & 13(3))
 - ✓ Inducements (Chapter 410 Section 11)
- Disclosure (Chapter 410 Section 14-~~1918~~ and all material defects related to the physical condition of the property)
 - ✓ Forms
 - ✓ On-site/off-site issues
 - ✓ Outdated forms
 - ✓ Material facts vs. material defects
- Company policy on agency (Chapter 400 Section 1 & Chapter 410 Section 6(1))
- Licensee's duty to Designated Broker (Chapter 410 Section 13 (1) & (2))
- Earnest money deposits (32 MRSA §13178 and Chapter 400 Section ~~32~~)
- Designated Broker supervision (32 MRSA §13179 and Chapter 400 Section 1)
- Conflicts of Interest and exception to appraisal law (32 MRSA §14004)
- All other sections of Chapter 410

Revised effective 5/21/2026 to reflect rule changes effective 10/26/2025

► Agency and Non-Agency Relationships (12%)

Objectives: *At the conclusion of this section licensees will be able to conduct themselves appropriately as a buyer agent, seller agent or transaction broker in a variety of real estate transactions.*

❖ Review Agency Relationships; Fiduciary Duties and Transaction Broker

- Real Estate Brokerage Relationships Form (32 MRSA §13279 & Chapter 410 Section 9)
- Fiduciary Duties (32 MRSA §13272)
- Definitions (32 MRSA §13271)
- Transaction broker (32 MRSA §13282-13283)
- Creation/termination of relationship (32 MRSA 13177(A), §13279, §13281)
- Duties of listing agent to buyer to customer & client (32 MRSA §13273)
- Duties of buyer agent to seller to customer & client (32 MRSA §13274)
- Subagency (32 MRSA §13271 (12))
- Appointed Agency (32 MRSA §13278 and Chapter 410 Section 8)
 - ✓ Vicarious Liability
 - ✓ Imputed Knowledge
- Disclosed Dual agency (32 MRSA §13275 & Chapter 410 Section 7)
 - ✓ Affirmative duties
- Who are you in this transaction
- Components of an agency client agreement (32 MRSA §13177(A))
- Companies with different policies

► Closings (13%)

Objectives: *At the conclusion of this section licensees will be able to:*

- identify various obligations of the licensee in relation to closings
- calculate closing costs
- review a TILA-RESPA Integrated Disclosure - Closing Disclosure to determine it accurately reflects terms of transaction

❖ Identify potential problems and discuss solutions

- Title Insurance
 - ✓ Standard or enhanced policies
 - ✓ Lender & owner coverage
- Walk-through issues
 - ✓ Seller has not vacated
 - ✓ Property not broom clean
 - ✓ Missing fixtures
- Unmet contingencies
- Encroachment/boundary issues
 - ✓ Mortgage Loan Inspection (MLI)
 - ✓ Boundary Survey
- Re-signing the loan application at closing
- Change in loan requirements
- Closing date postponed
- Mortgage fraud
 - ✓ Undisclosed side agreements
 - ✓ Lost job
- Domino transactions
- Closing documents
 - ✓ TILA-RESPA Integrated Disclosure - Closing Disclosure
 - Prorations
 - Incorrect info (e.g. sale price, commission)
 - Non-resident withholding or waiver

Revised effective 5/21/2026 to reflect rule changes effective 10/26/2025

- Foreign Investment in Real Estate Property Tax Act (“FIRPTA”)
- ✓ Possible disclosures
 - Shoreland & Coastal Shoreland 30-A MRSA §4216
- Insurance binder
- Accounting for earnest money
- After closing escrow agreements

► Land Use (9%)

Objectives: *At the conclusion of this section licensees will be able to:*

- recognize a variety of land use laws
- predict the application of a variety of land use laws and how they affect buyers and sellers

❖ Review land use laws

- Zoning
- Subdivisions (30-A MRSA §4401-4408)
- Shoreland zoning (38 MRSA §435-449)
- Transfer of shoreland property (freshwater/coastal) (30-A MRSA §4216)
- Conversion of seasonal dwellings (30-A MRSA §4215 and DHHS Chapter 242)
- Easements
- Deed restrictions
- Restrictive covenants
- Homeowners Association (HOA) restrictions
- Condominium declarations, bylaws, rules
- Co-ops
- Natural Resource Protection Act
- Farmland Registration Act (aka Farmland Adjacency Act) (7 MRSA §§51-59)
- Vernal pools
- Significant Wildlife Habitat – shorebirds, waterfowl and wading birds
- Raw land with intent to build
 - ✓ Soil test
 - ✓ Minimum lot size
 - ✓ Building Permit
 - ✓ Curb cuts
 - ✓ Utilities
- Adverse possession
- Eminent domain
- Property taxation and exemptions
 - ✓ Homestead
 - ✓ Tree growth (36 MRSA §§571-584-A)
 - ✓ Open space/Farmland tax law (36 MRSA §§1101-1121)
 - ✓ Legally blind
 - ✓ Veterans

► Finance (8%)

Objective: *At the conclusion of this section licensees will be able to address a variety of financing circumstances for buyer and seller clients and customers.*

❖ Review:

- Various types of financing (FHA, VA, etc.)
- Cash transactions
 - ✓ Verification of funds
 - ✓ Honesty to seller
- Seller financing
- Bond for deed
- Take back a note for commission
- Real Estate Settlement Procedures Act (RESPA)
- Affiliated business relationships
- Buyer loses financing the day before closing
- Lender application form
- Foreclosures/Short Sales
- Alternative financing options
- Actions that affect credit score and impact on financing

► Value (9%)

Objectives: *At the conclusion of this section licensees will be able to:*

- *estimate value for buyers and sellers using the three approaches below*
- *complete an estimate of value for each of the three approaches below*

❖ Review:

- Cost Approach
- Income Approach
- Market Value Approach
- Comparable Market Data
- Any Opinion of Value for compensation
- Appraisal law exemption (32 MRSA §14004)
 - ✓ Conflict of interest (32 MRSA § 13251-A)

► Contracts for the Transfer of an Interest in Real Estate (10%)

Objectives: *At the conclusion of this section licensees will be able to:*

- *recognize various types of contracts and applicable clauses*
- *resolve a variety of situations that arise*
- *complete a purchase and sale agreement*

❖ Review:

- Elements of a contract
 - ✓ Legal purpose
 - ✓ Competent parties
 - ✓ Statute of Frauds
 - ✓ Offer
 - ✓ Acceptance
 - ✓ Consent
 - ✓ Communication
- Types of contracts (Purchase and Sale Agreement, Lease Option, Right of 1st refusal)
- Unauthorized practice of law
- Contingencies
 - ✓ Unmet

- ✓ Financing
- ✓ Short Sale
- ✓ Other
- Addenda and amendments
 - ✓ Leases/occupancy
 - ✓ Condo docs
 - ✓ Other
- Confidentiality
 - ✓ Licensee
 - ✓ Buyer/Seller
- MREC Real Estate Transactions Offers/Counteroffers – Agent – Client Guidelines
- Complete signatures/initials
- When an offer becomes a contract (imputed knowledge)
- Unsatisfactory Inspections
- Unfamiliar forms
- Items included on brochure/disclosure form not in contract
- Continue to show
- Delivery and timing of property disclosure; cancellation of contract (33 MRSA §174)
- Acting in self-interest (Chapter 410 Section 2)

► **Miscellaneous State and Federal Laws (4%)**

Objective: *At the conclusion of this section licensees will be able to apply the following miscellaneous federal and state laws in a variety of real estate transactions.*

❖ **Review:**

- Anti-trust
- Fair Housing
- Americans with Disabilities Act (“ADA”)
- Truth in Lending Act (“TILA”)
- Radon
- Smoke/carbon monoxide detectors
- Lead Paint (Sale and Rental)
 - ✓ Disclosure
 - Single family
 - Multi-family
 - ✓ Renovation, Repair and Painting Rule (“RRP”)
- Tax considerations
 - ✓ Capital gains
 - ✓ 1031 Tax Deferred Exchange
- Other that relate to the transaction

► **Job Description: Listing Licensee (10%)**

Objectives: *At the conclusion of this section licensees will:*

- recognize the difference between client and customer level service
- execute their duties consistent with their agreements, the law, rules and company policy

❖ **Review:**

- Prelisting work
 - ✓ Gather required information from town hall, registry of deeds, LUPC, other appropriate authorities for:
 - Land
 - Income property
 - Condominium
 - Single family

Revised effective 5/21/2026 to reflect rule changes effective 10/26/2025

- Waterfront
 - ✓ Prepare listing packet
- First meeting with seller
 - ✓ Real Estate Brokerage Relationships Form
 - ✓ Gather information about the property
 - ✓ Gather information for the disclosure form
 - ✓ Prepare Comparable Market Analysis
- Second meeting with seller
 - ✓ Presentation of CMA
 - ✓ Types of Agreements
 - ✓ Line by line review of exclusive listing agreement
 - Cooperation and compensation with other companies
 - Procuring Cause
 - ✓ Presentation of marketing plan
 - ✓ Estimate Seller proceeds
 - ✓ Duty to furnish documents (Chapter 410 Section 5)
 - ✓ Home warranties/inspections
- From listing to under contract
 - ✓ Ongoing communication with the seller
 - ✓ Showings
 - ✓ Presentation of offers
 - ✓ Negotiation of contract
- Under contract to closing
- Closing
- Follow up after closing

► **Job Description: Selling Licensee (10%)**

Objectives: *At the conclusion of this section licensees will be able to:*

- *recognize the difference between client and customer level service*
- *execute their duties consistent with their agreements, the law, rules and company policy*

❖ **Review:**

- First meeting with buyer
 - ✓ Real Estate Brokerage Relationships Form
 - ✓ Buyer packet
 - ✓ Types of Agreements
 - ✓ Line by line review of exclusive brokerage agreement
 - Are terms and conditions accurate (price range, location, property type, etc.)
 - Cooperation and compensation with other companies
 - Procuring Cause
- Qualifying the buyer
 - ✓ Buyer counseling session
 - ✓ Wants and needs
 - ✓ Financially
 - ✓ Estimate Buyer Costs
- Showings
- Making the offer
 - ✓ Gather the information
 - Land
 - Income property
 - Condominium
 - Single family
 - Waterfront
 - ✓ Warranties
 - ✓ Inspections

- ✓ Prepare Comparable Market Analysis for clients or provide Comparable Market Data to customers
- ✓ Presentation of offers
- ✓ Negotiation of contract
- Under contract to closing
- Closing
- Follow-up after closing

► **Negotiations and Communications (5%)**

Objectives: *At the conclusion of this section licensees will be able to:*
- employ negotiation techniques on behalf of clients

❖ **Review:**

- Negotiating techniques
 - ✓ Separate the people from the problem
 - ✓ Focus on interests, not positions
 - ✓ Invent options for mutual gain/overcome objections
 - ✓ Use objective criteria
 - ✓ Understand personalities
 - ✓ Understand cultural differences

**Maine Real Estate Commission
Minimum Guidelines for Qualifying Education
The Associate Broker Course**

**Approved by Commission January 24, 2013
Live Delivery Guidelines - Effective August 1, 2013
Distance Education Guidelines - Effective January 24, 2013**

These guidelines replace the March 2006 guidelines.

The course must comply with the provisions of Chapter 360 Section 3 of the Commission's rules and:

- Course length - 60 hours (plus Documented Field Experience Form)
- Passing Grade 75%
- Time allotted for quizzes/final exam shall not exceed 10% of course length.
- Quizzes – 3 consisting of a minimum of 60 questions total; question format to be objective with definitive answer and quizzes to be administered at appropriate intervals to assess student's understanding of material covered to date.
- Final exam – minimum of 80 questions weighted according to the percentage assigned to the topic in the course outline; question format to be objective with definitive answer; final exam to be administered at the end of the course and proctored by course instructor or another appropriate proctor. (A proctor must be a disinterested third party who is not a relative or friend of the student, does not have a vested interest in the student's exam score, and is not a real estate licensee other than the course instructor or another instructor of a course approved by the Commission. Examples of an appropriate proctor include, but are not limited to, a librarian, teacher, school counselor, police officer, and military officer of higher rank than the student. Remote online proctoring may only be conducted by companies specializing in testing. Schools are encouraged to have written agreements with proctors regarding identifying the student taking the exam, security procedures to be implemented during the exam as well as collection and submission to the course instructor of any test materials.)
- Students must receive the following at the beginning of the course:
 - ✓ Course outline
 - ✓ Maine Real Estate Commission Course Guidelines
 - ✓ Instructor contact information
 - ✓ Technology requirements to complete the course
 - ✓ Policy of cheating or misrepresenting student identity
 - ✓ Learning objectives
 - ✓ Course completion deadline

Additional guidelines for Live Delivery Courses:

- Required attendance 90%
- Quizzes and Final Exam - no open book or take home and scored by instructor
- Course grade weighting – final exam 50%; quizzes 30%; the remaining 20% may include case studies, open book/take home exercises, participation etc.

Additional guidelines for Distance Education Courses: Course shall be certified by the Association of Real Estate License Law Officials (ARELLO) or meet the following guidelines:

- Delivery formats limited to CD-ROM-based training; Internet/web-based or Webinar-type courses. No paper correspondence. Videotaped delivery of a live pre-licensing program is not acceptable.
- CD-ROM/Internet/Web-based delivery methods must provide student-instructor interactivity and student content interactivity in the form of hyperlinks to vocabulary words, quizzes, links to supplemental reference material, case studies and remediation exercises (i.e. when a question is answered incorrectly some indication of why the answer was incorrect and the appropriate answer).
- Evidence of time studies to ensure the average completion time of the course is consistent with the hours established for each course. Each hour of a distance education course is equivalent to one hour of live classroom instruction.
- Quiz and Final Exam questions to be drawn from a pool of questions.

Revised effective 5/21/2026 to reflect rule changes effective 10/26/2025

- Students must achieve a passing grade (75%) on each quiz to move ahead.

Maine Real Estate Commission

The **Broker**/Designated Broker Course

Outline

Approved: 8/15/2013 Effective: 6/1/2014
This outline replaces the outline approved May 2008

Requirement Overview:

This course, at a minimum, must be 50 hours in length; include 3 quizzes and a final exam; meet other standards established in the Minimum Guidelines for The **Broker**/Designated Broker Course approved January 24, 2013 attached and made part of this outline; and the instructor must hold a Real Estate Broker license.

Course Objectives:

Upon completion of this course, the licensee will have the fundamental knowledge and skill to open and operate a real estate company. The licensee will understand the designated broker's supervisory role as well as the obligations to licensees, clients, customers and the public.

Exercise topics identified in each section address specific concepts and issues and are intended to be included in the course material. In addition, instructors may incorporate other exercises. A variety of teaching methods may be used such as group exercises, role-play, simulations, case studies, etc. The order of topics may be arranged to fit the instructor's teaching style. Course percentages are based on course instruction and do not include quiz or exam time.

► Introduction (1%)

Maine Real Estate Commission expectations, course overview, facility information, attendance, snow days, grading, etc.

► Business Plan (10%)

Goal: *The goal of this section is to provide an overview of elements of organizing a real estate company.*

Objectives: *Licensee will be able to identify:*

- necessary steps to establish a legal entity
- systems to manage/operate the entity
- income and expenses to open a real estate company

❖ Initial Organization of Company

- Mission Statement
- Written goals and philosophies
- Scope of services (residential, commercial, land)
- Company makeup:
 - ✓ Ownership
 - Sole proprietorship
 - Partnership
 - Limited partnership
 - Limited Liability Company
 - Corporation (S or C)
 - ✓ Trade Name
 - ✓ Franchise or independent
 - Local affiliation or large national corporation
 - Trade association membership
- Company Policy Manual
- Policy on Real Estate Brokerage Relationships
- Organizational chart for company, including staffing requirements and qualifications
 - ✓ Independent contractor agreements
 - ✓ Employer/employee status
- Physical office requirements

- ✓ Location
- ✓ Visibility
- ✓ Floor plan
- ✓ Parking
- ✓ Public accommodations (Americans with Disabilities Act - ADA)
- ❖ **Financial Planning**
 - Projected start-up costs
 - Sales Projections
 - Income and Cost Projections
 - Cash Flow
 - Accounting Software

Exercise Topics:

- Create an organizational chart for your company
- Choose a form of ownership and why
- Layout floor plan sketch to ensure compliance with law and rules (confidentiality & ADA)
- Develop pro forma budget for start-up costs and monthly budget
- Importance of Independent Contractor Agreement; issues not addressed in agreement

▶ **Licensing the Office (2%)**

Goal: *The goal of this section is to develop the designated broker's ability to comply with office licensing requirements.*

Objectives: *Licensee will be able to identify and manage licensing requirements.*

- ❖ **Licensing Issues** (32 MRSA § 13171, § 13172, § 13173, § 13174)
 - Requirements for agency licensing (all practice occurs under the auspices of the agency license)
 - Agency changes (32 MRSA §13175)
 - Trade names (32 MRSA §13176)
 - License contents and display (32 MRSA §13181)
 - Agency license renewal (32 MRSA §13182)
 - New license, transfer of license and renewal (32 MRSA §13194, §13195 & §13197)

Exercise Topics:

- Research proposed trade name for sample company to determine that it is not misleading
- Download and complete license application for sample company

▶ **Designated Broker Job Description (11%)**

Goal: *The goal of this section is to identify the requirements of maintaining a real estate company and the responsibility of the designated broker.*

Objectives: *Licensee will be able to create policies, procedures and systems to supervise and oversee a company consistent with license law and rules. (Title 32 Chapter 114 subchapter 3, rule Chapter 400 Sections 1, 3 & 4 and Chapter 410).*

- ❖ **License Law**
 - Brokerage Agreements (32 M.R.S.A. §13177-A)
 - Termination of employment (32 M.R.S.A. §13180)
 - Acts authorized (32 M.R.S.A. §13183)
 - ✓ Delegation (~~400(1)(C)~~) (Chapter 400 Section 2(1))
 - Real Estate Brokerage Relationship Disclosure (32 M.R.S.A. §13279)
- ❖ **Chapter 400**
 - Supervision of employees/affiliated licensees (32 M.R.S.A. §13179 and Chapter 400 Section 1)
 - Records retention (32 M.R.S.A. §13184 & chapter ~~400(3)~~) (Chapter 400 Section 4)
 - Examination for compliance (~~chapter 400 (4)~~) (Chapter 400 Section 5)
- ❖ **Responsibility to supervise licensed and unlicensed staff to comply with Chapter 410**

Exercise Topics:

- Outline what brokerage forms the company will use with consumers
- Outline policies and procedures that enable DB to review, manage and oversee activities required in Chapter 400(1)-1-5 Section 1 (e.g. checklists)
- Describe a system for interviewing new licensees for your company
- List steps to introduce new licensees to the company
- Describe the DB's tasks when a licensee leaves the company
- Supervision of licensed and unlicensed assistants to licensees
- Supervision of website advertising

► Policy Manual (10%)

Goal: *The goal of this section is to outline and discuss company policy manual requirements.*

Objectives: *Licensee will be able to:*

- identify components of a policy manual
- explain the purpose of a policy manual

❖ Required content of a company policy and procedure manual

- General company policies and procedures (32 MRSA § 13179, Chapter 400, 1-2 Chapter 400 Sections 1 and 2)
- Real estate brokerage relationships policy (32 MRSA § 13277, Chapter 400 1-4 Chapter 400 Section 2 (2))
 - ✓ Review types of real estate brokerage relationships policies
 - ✓ Advantages and disadvantages of each
- Policies and procedures: state and federal law
- Complaint and adjudicatory process (32 MRSA § 13069(6))

❖ Optional content

Exercise Topics:

- List mandatory and optional topics to be addressed in your company policy manual
- Outline procedure to respond to a notice of complaint investigation from MREC staff
- Critique an unclear or incomprehensible policy

► Trust Account (5%)

Goal: *The goal of this section is to enable licensees to open and maintain a legally compliant real estate trust account.*

Objectives: *Licensee will be able to identify and describe the requirements for opening and maintaining a real estate trust account. (32 M.R.S.A. §13178 & chapter 400 sections 2 & 3 Chapter 400 Section 3)*

- ❖ Real Estate trust accounts
- ❖ Other trust accounts
- ❖ Release of disputed/undisputed earnest money

Exercise Topics:

- Outline the requirements of establishing and maintaining a legally compliant real estate trust account
- Describe the steps involved in making deposits and withdrawals compliant with law, rule and company policy
- Describe the steps involved if a seller refuses to release an earnest money deposit to a buyer

► Monitoring Compliance/Training (5%)

Goal: *The goal of this section is to enable students to effectively train new and experienced licensees regarding compliance with laws, rules and company policy. 32 M.R.S.A. §13179, Chapter 400 (1)(G) & (2) Chapter 400 Section 2*

Objectives: *Licensee will be able to:*

- explain the importance of training
- establish a training program for affiliated licensees and staff to enable them to be competent

- ❖ Training of newly licensed licensees (including the Documented Field Experience Form)
- ❖ Training licensees new to the company who have been previously licensed
- ❖ Ongoing supervision and training for licensees and unlicensed staff

❖ **Optional training (interpersonal skills, sales, negotiation, etc.)**

Exercise topics:

- Outline procedure to confirm your affiliated licensees are properly licensed**
- Describe possible contents of a personnel file**
- Identify sources of law, rule and practice changes**
- Outline subject areas and timing of a training program for newly licensed licensees, experienced licensees and unlicensed staff.**

▶ **Risk Management (7%)**

Goal: *Explore risk reduction techniques.*

Objectives: *Licensee will be able to identify:*

- *identify the major risks to an agency*
- *identify risk management techniques*

❖ **Explore Risk Reduction and Risk Management**

- Policy and Procedure Manual as a risk reduction tool
 - ✓ Review manual
 - ✓ Update manual
 - ✓ Notify employees and affiliates of changes
- Record keeping (maintenance and retrieval)
 - ✓ Checklists for procedures
 - ✓ Document sources of information
 - ✓ Telephone, email, electronic message and fax logs
- Obtain written declinations (i.e. declining service contracts, home inspections, radon tests)
- Insurance policies (coverage limitations)
 - ✓ Errors and Omissions
 - ✓ Property
 - ✓ Liability
- Resolving issues between real estate companies in the best interest of the clients
 - ✓ Procuring cause
 - ✓ Differences in company policies
 - ✓ Offers of cooperation and compensation
- Personal safety

Exercise Topics:

- Outline the major risks to a company and your ongoing procedures to limit the risks arising from transactions**
- How will you limit procuring cause disputes with other companies?**
- Identify what is covered by errors and omissions insurance; how is cost of claim resolved if issue not covered?**
- Outline a personal safety policy**
- How do you establish a record that client refused advice?**

▶ **Problem Identification and Resolution (2%)**

Goal: *Explore problem resolution techniques for issues related to real estate brokerage.*

Objectives: *Licensee will be able to:*

- *apply problem-solving techniques to solve real estate brokerage issues*

❖ **Optional Model for Effective Problem-Solving**

- Define the problem and issues
 - ✓ Be clear about what the problem is
 - ✓ Is it legal, ethical, professional or moral?
 - ✓ Different stakeholders may have different views of what the issues are
 - ✓ Listen to each person with the intent to understand and not evaluate
- Identify the stakeholders and their interests
 - ✓ Who is affected by the outcome of this problem?
 - ✓ Interests are the needs that are satisfied by any given solution

- ✓ How are the stakeholders affected by the problem?
- ✓ This is the time for active listening to understand the complete problem
- List the possible options
 - ✓ Brainstorm or Green Light the options creatively
 - ✓ Do not become attached to any one option
 - ✓ At this stage do not evaluate the options
- Evaluate the options
 - ✓ What are the pluses and minuses of each option?
 - ✓ How are the stakeholders affected by each option?
 - ✓ Separate the evaluation of options from the selection of options
- Eliminate any options that are not feasible
 - ✓ What's the best option, in the balance?
 - ✓ The best solution is the one that satisfies everyone's interests
 - ✓ Is there a way to combine a number of options together for a more satisfactory solution?
- Make a commitment to the choice, put it in writing
 - ✓ Agree on the solution and put it in writing
 - ✓ The written solution will help the parties to review the details as agreed upon, and the implications of the decision
- Implement, monitor and evaluate the decision
 - ✓ Identify who will you monitor compliance and follow-through
 - ✓ Identify any problems that were experienced with the decision
 - ✓ Incorporate the decision into the Policy Manual if appropriate
 - ✓ Use this experience as a case study for the office if appropriate

Exercise Topics:

- Apply problem-solving model to seller and buyer issues
- Use model to address an ethical dilemma

► Financing (6%)

Goal: *The goal of this section is to identify, analyze and provide appropriate advice concerning financing issues consistent with the duties of the licensee.*

Objectives: *Licensee will demonstrate:*

- *an understanding of financing*
- *ability to identify financing issues, manage transactions and solve issues*

❖ Awareness of finance alternatives based on buyer and property

- FHA
- VA
- MSH
- Rural Development
 - ✓ Direct
 - ✓ Guaranteed
- Conventional
 - ✓ Insured
 - ✓ Uninsured
- Portfolio/Local banks
- Cash

❖ Impact of financing (i.e. loan to value, appraisal, property condition, seller concessions)

- Role of seller agent
 - ✓ Does agent understand how type of financing may affect seller and convey this to seller?
 - ✓ Is financing a viable option for property?
 - ✓ Does seller understand that buyer could be denied financing any time prior to closing (job loss, change in credit score, low appraisal)
- Role of buyer agent
 - ✓ Prequalification/Pre-approval prior to writing offer

- ✓ Does agent understand financing requirements and showing properties suitable for financing?
- ✓ Does buyer understand how their actions may affect credit score and financing?
- ✓ Buyer agent duty to seller §13274(2)(A)
- Role of transaction broker

❖ **Compliance with financing cause (i.e. dates, loan type)**

- Role of seller agent
- Role of buyer agent
 - ✓ Communicate regularly with loan officer
 - ✓ Update loan officer with price changes and other conditions
- Role of transaction broker
 - ✓ Supervise dates
 - ✓ Communicate progress

❖ **Mortgage fraud**

- Using two contracts
- Misrepresentation of assets
- Money outside of closing
- Real Estate Settlement Procedures Act (RESPA)
- Truth in Lending/Advertising (Regulation Z)

Exercise Topics:

- ☑ Identify the issues of an offer written as cash when buyer intends to get home equity loan
- ☑ Loan officer qualifies buyer for loan that is not best alternative for buyer; what are licensees' responsibilities to customer/client
- ☑ Outline potential issues of money paid outside of closing

▶ **Other Laws (6%)**

Goal: *The goal of this section is to develop the licensee's ability to handle issues that arise from various laws in the practice of real estate brokerage.*

Objectives: *Licensee will be able to identify potential issues, demonstrate information gathering skills, analyze the issue and provide appropriate solutions.*

❖ **Municipal/State/Federal Laws**

- Anti-trust
 - ✓ Commission policy
 - ✓ Boycotting
 - ✓ Tying
 - ✓ Allocation
- Civil Rights & Fair Housing
 - ✓ Protected Classes - State of Maine
 - ✓ Protected Classes – Federal
 - ✓ Prohibited Acts
- Americans with Disabilities Act (ADA)
- Land Use
 - ✓ Zoning (shoreland, historical district, etc.)
 - ✓ Subdivision
 - ✓ Buildable lot
 - ✓ Easements (conservation, driveway, etc.)
 - ✓ ROWs
 - ✓ Deed Restrictions
 - ✓ Restrictive Covenants
 - ✓ Curb cuts
 - ✓ Other
- Environmental
 - ✓ National Resource Protection Act

- ✓ Vernal Pools
- ✓ Significant Wildlife Habitat
- ✓ Other
- Code Conformance
 - ✓ Minimum lot size
 - ✓ Setbacks
 - ✓ Building and driveway permits
 - ✓ Other
- Taxation/exemptions
 - ✓ Capital Gains
 - Principal residence
 - Non-principal residence
 - ✓ Foreign Investment in Real Estate Property Tax (FIRPTA)
 - ✓ 1031 Tax Deferred Exchanges
- Truth in Lending/Advertising (Regulation Z)
 - ✓ Advertising
 - ✓ Credit Terms

Exercise Topics:

- Seller wants to sell a lot cut from a larger lot, what issues/steps are involved
- Shoreland property converted to year-round use, what issues/steps are involved

► **Ethics (5%)**

Goal: *The goal of this section is to enable students to develop a climate of best practices within their company.*

Objective: *Licensee will be able to identify ethical issues and evaluate ethical practices.*

- ❖ **Evaluate Ethical Practices**
 - Ethical, Legal and Company Policy
 - Ethical dilemmas
 - Models for ethical decision making
 - Code of Ethics
 - ✓ Personal
 - ✓ Office
 - ✓ Professional industry code

Exercise Topics:

- Identify ethical dilemmas for clients and customers

► **Initial Contact to Under Contract (15%)**

Goal: *The goal of this section is to enable licensees to identify and resolve a variety of issues that arise from the first contact with a buyer/seller to under contract status from the perspective of the Designated Broker.*

Objectives: *Licensee will be able to:*

- *Identify and manage issues for clients/customers from first contact to contract*
- *Demonstrate the ability to identify and solve issues related to brokerage agreements*

- ❖ **The Real Estate Brokerage Relationships Form 32 MRSA §13279 & ~~chapter 410(9)~~ Chapter 410 Section 9**
- ❖ **Real Estate Brokerage Forms**
 - Listing Agreement
 - Buyer Agent Agreement
 - Appointed Agent Agreement
 - ✓ Additional appointments
 - ✓ Termination
 - ✓ DB must be appointed to provide client-level services
 - Disclosed Dual Agency Agreement
 - ✓ Disclosed Dual Agent is not a Transaction Broker

- ✓ What Disclosed Dual Agent can and cannot do (32 MRSA § 13275)
 - Addenda and amendments
 - ✓ Definition
 - ✓ Poorly drafted/incomplete
 - Unfamiliar forms
 - ✓ Review document (do not assume knowledge of document)
 - Agreement with company, not licensee
 - No verbal terms
 - Obtain signatures of all parties
 - Copies provided at time of signature ~~410(5)~~ Chapter 410 Section 5
- ❖ **Market Value §14004 & ~~rule chapter 410(3)~~ Chapter 410 Section 3**
- Opinions of Value without compensation
 - Broker's Price Opinion (~~410(3)~~, Chapter 410 Section 3, 32 MRSA §§13251-A & 14004)
 - ✓ Real Estate Brokerage Relationship Form required
 - ✓ Must have brokerage agreement
 - ✓ Payment made to company, not the licensee
- ❖ **Property Disclosures (not a "Seller Disclosure")**
- Mandatory and optional disclosures
 - Responsibility of listing and selling licensees
 - ✓ Required for all residential properties or commercial with "residential component"
 - ✓ Who fills out the form
 - ✓ Sources of information (seller only once source)
 - ✓ Blanks on form
 - ✓ Inaccurate information
 - ✓ Written updates
 - Unfamiliar forms
 - ✓ Review document (do not assume knowledge of document)
- ❖ **Advertising ~~400(1)(1)(E, H & I), 410(1) & 13(3)~~ Chapter 400 Section 1 (E, H), Chapter 410 Section 1 and Section 13 (3)**
- DB must review, manage, oversee and consent to all advertising
 - ✓ Advertising another company's listings
 - ✓ Print vs. electronic advertising
 - ✓ Internet sites and domain names affiliated licensees are using
- ❖ **Inducements ~~410(11)~~ Chapter 410 Section 11**
- Legal vs. Illegal
- ❖ **Purchase and Sale Agreements**
- Confidentiality ~~400(12)~~ Chapter 410 Section 12
 - Contract clauses, addenda and amendments
 - When an offer becomes a contract
 - Imputed knowledge
 - MREC Real Estate Transactions Offers/Counter Offers – Agent-Client Guidelines
 - Resolution of issues surrounding clauses (including timelines)
 - Copy provided at time of signature ~~410(5)~~ Chapter 410 Section 5
 - Unfamiliar forms
 - No verbal amendments

Exercise Topics:

- Verbal terms were not made part of written listing agreement, i.e. "will tear up the agreement if you are "unhappy". A change to any term of buyer/seller listing agreement must be in writing and signed by buyer/seller.
- Suspension vs. termination – do client and agent understand the status of the agreement?

- Appointed agent is no longer acting as the appointed agent for a client but the affiliated licensee remains with the company. Should a written termination of appointed agent role should be prepared and signed by client?
- The designated broker is the appointed agent and another affiliated licensee is not designated to fulfill the duties imposed by **Chapter 410 Section 8 (1) (B) e. ~~410(8)(1)(B)~~**. Identify potential issues.
- Can a Disclosed Dual Agent do a Comparable Market Analysis (CMA) for buyer? If so, is a copy provided to Seller?
- Appointed Agency office – confidentiality issues during office meetings and caravans
- Complete a sample addendum and amendment to a contract (financing, extension of contract, etc.)
- Selling licensee receives property disclosure on bank owned property – all items marked “unknown”
- Designated Broker must have a policy to review, manage and oversee the advertising/promotion or real estate. Write a sample policy.

► Under Contract to Closing (15%)

Goal: *The goal of this section is to enable licensees to identify and resolve a variety of issues that arise prior to, at, and after closing from the perspective of the Designated Broker.*

Objectives: *Licensee will be able to:*

- Calculate buyer costs and seller proceeds
- Demonstrate the ability to review and identify TILA-RESPA Integrated Disclosure - Closing Disclosure issues
- Identify and manage issues for clients/customers from contract to closing

❖ Under contract to closing

- Under contract checklist
- File review (continuous)
 - ✓ Who is reviewing file and how often (DB can designate but still responsible)
 - ✓ Licensees’ duty to keep DB informed ~~410(13)(1)~~ Chapter 410 Section 13 (1)
 - ✓ File location
 - ✓ Contents of file
 - ✓ Submission of documents within 5 days
- Potential Issues
 - ✓ Do buyer and seller understand issues may affect closing date?
 - ✓ Title
 - Fraud
 - Liens
 - Exclusions
 - Missing heirs
 - Other
 - ✓ Inspections
 - Issues discovered in inspection noted on disclosure
 - Seller will not allow test (radon testing in warm weather)
 - Other
 - ✓ Appraisal
 - Low appraisal
 - Unique property – lack of comps
 - Mandated repairs
 - Other
 - ✓ Financing
 - Change in loan type
 - Seller concessions
 - Other
 - ✓ Mortgage Loan Inspection (MLI)
 - MLI is not a survey
 - Boundary/encroachment issues
 - Other
 - ✓ Title Insurance
 - Marketable
 - Insurable
 - Exceptions

- Other
- ✓ Homeowner Insurance
 - Electrical issues (knob and tube, fuses)
 - Wood stoves (rentals, multiple fuel sources in flue)
 - Previous claims discovered in CLUE search
 - Withdrawal of insurance
 - Other
- ✓ Walk-through issues
 - House not broom clean
 - Items not left in property or work completed as agreed
 - New issues identified (leak, furnace does not work)
- ✓ Settlement Statements – costs involved (buyer/seller proceeds)
- ✓ Review thoroughly for errors
- ✓ Compare Loan Estimate with Closing Disclosure
- ✓ Review of deed to be conveyed

❖ **Occupancy**

❖ **Post-closing**

- Closed checklist
- Escrow agreements
 - ✓ What can be escrowed
 - ✓ Who prepares agreement
 - ✓ Who holds/disperses money
 - ✓ What is required before money dispersed

❖ **Pros and cons of licensees acting as power of attorney at closings**

❖ **FIRPTA (Foreign Investment in Real Estate Property Tax Act)**

❖ **State of Maine non-resident withholding**

❖ **Coastal/Shoreland Zoning 30-A MRSA §4216**

- Disclosure
- Inspection

Exercise Topics:

- Buyer wants a price reduction after inspections. Seller does not respond, now what?
- Title problem arises – contract allows 30 days to fix
- Walk-through issue noticed a short time prior to closing
- Deed to be conveyed is incorrect
- Outline potential issues of buyer taking occupancy prior to closing
- Outline potential issues with escrow agreements (government financing)

Maine Real Estate Commission
Minimum Guidelines for Qualifying Education
The **Broker/Designated Broker Course**

Approved by Commission January 24, 2013

Live Delivery Guidelines - Effective August 1, 2013

Distance Education Guidelines - Effective January 24, 2013

These guidelines replace the May 2008 guidelines.

The course must comply with the provisions of Chapter 360 Section 3 of the Commission's rules and:

- Course length - 50 hours
- Passing Grade 75%
- Time allotted for quizzes/final exam shall not exceed 10% of course length.
- Quizzes – 3 consisting of a minimum of 60 questions total; question format to be objective with definitive answer; and quizzes to be administered at appropriate intervals to assess student's understanding of material covered to date.
- Final exam – minimum of 80 questions weighted according to the percentage assigned to the topic in the course outline; question format to be objective with definitive answer; final exam to be administered at the end of the course and proctored by course instructor or another appropriate proctor. (A proctor must be a disinterested third party who is not a relative or friend of the student, does not have a vested interest in the student's exam score and is not a real estate licensee other than the course instructor or another instructor of a course approved by the Commission. Examples of an appropriate proctor include, but are not limited to, a librarian, teacher, school counselor, police officer, and military officer of higher rank than the student. Remote online proctoring may only be conducted by companies specializing in testing. Schools are encouraged to have written agreements with proctors regarding identifying the student taking the exam, security procedures to be implemented during the exam as well as collection and submission to the course instructor of any test materials.)
- Students must receive the following at the beginning of the course:
 - ✓ Course outline
 - ✓ Maine Real Estate Commission Course Guidelines
 - ✓ Instructors contact information
 - ✓ Technology requirements to complete the course
 - ✓ Policy of cheating or misrepresenting student identity
 - ✓ Learning objectives
 - ✓ Course completion deadline

Additional guidelines for Live Delivery Courses:

- Required attendance 90%
- Quizzes and Final Exam - no open book or take home and scored by instructor
- Course grade weighting – final exam 50%; quizzes 30%; the remaining 20% may include case studies, open book/take home exercises, participation etc.

Additional guidelines for Distance Education Courses: Course shall be certified by the Association of Real Estate License Law Officials (ARELLO) or meet the following guidelines:

- Delivery formats limited to CD-ROM-based training; Internet/web-based or Webinar-type courses. No paper correspondence. Videotaped delivery of a live pre-licensing program is not acceptable.
- CD-ROM/Internet/Web-based delivery methods must provide student-instructor interactivity and student content interactivity in the form of hyperlinks to vocabulary words, quizzes, links to supplemental reference material, case studies and remediation exercises (i.e. when a question is answered incorrectly some indication of why the answer was incorrect and the appropriate answer).
- Evidence of time studies to ensure the average completion time of the course is consistent with the hours established for each course. Each hour of a distance education course is equivalent to one hour of live classroom instruction.
- Quiz and Final Exam questions to be drawn from a pool of questions.
- Students must achieve a passing grade (75%) on each quiz to move ahead.



Office of Professional & Occupational Regulation

Real Estate Commission
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MEMORANDUM

To: Real Estate Commission Members
From: Catherine E. Pendergast, Director
Date: April 6, 2026
Subject: Offer Guidelines - Revisions

Real Estate Commission rulemaking effective October 26, 2026 resulted in the revision of Chapter 410 Section 12 Confidentiality of Offers and Purchase and Sale Contract Terms.

SECTION 12. Confidentiality of Offers and Purchase and Sale Contract Terms

1. A real estate brokerage agency or affiliated licensees shall not disclose any terms of an offer or counteroffer to anyone other than the parties to the offer or counteroffer without the prior written permission of the parties prior to withdrawal, expiration or written rejection of the offer or counteroffer.

A real estate brokerage agency or affiliated licensees shall not disclose the terms of an executed contract to anyone other than the parties to the agreement without the prior written permission of the parties prior to the transaction closing or terminating.

Buyer names and addresses are not terms of an offer and shall not be disclosed.

2. Notwithstanding the confidentiality provision contained in Section 12(1) of this chapter, any such document referenced in this section shall be made available to the Director of the Commission upon request.

Following are suggested changes to the Maine Real Estate Commission Real Estate Transactions Offers/Counter Offers – Guidelines approved June 2014 for consideration and discussion to align it with the revised rule.

DEPARTMENT OF PROFESSIONAL & FINANCIAL REGULATION
OFFICE OF PROFESSIONAL AND OCCUPATIONAL REGULATION
MAINE REAL ESTATE COMMISSION
REAL ESTATE TRANSACTIONS
OFFERS/COUNTER OFFERS – GUIDELINES
Approved June 2014

Guiding Principles – Seller/Buyer Client

<ul style="list-style-type: none"> Communicate early and often 	<p><i>When taking a listing or entering into a buyer representation agreement the agent should explain to the client how offers and counter offers are handled and the possibility of multiple offers.</i></p>
<ul style="list-style-type: none"> The agent advises – the client decides 	<p><i>The decisions about how offers will be presented, negotiated and ultimately accepted or rejected are made by the client – not the agent. All offers must be communicated and agent must keep client informed of stated interest in property.</i></p>
<ul style="list-style-type: none"> Offers and counter offers in writing 	<p><i>Offers and counter offers should be in writing to ensure that the terms, time frames and legal obligations of the parties are understood. Written counter offers should include a specific time period for acceptance. Withdrawal of a written offer or counter offer should be made in writing.</i></p>
<ul style="list-style-type: none"> Confidentiality of Terms of offers and counter offers are confidential 	<p><i>The Terms of offers <u>and</u> and counter offers may not be disclosed by agent without the prior written consent of <u>both the seller and buyer</u> the parties prior to withdrawal, expiration or written rejection of an offer or counter offer. <u>Buyer names and addresses shall not be disclosed.</u></i></p> <p><i>Disclosing that a full price offer has been made is disclosing a term and is a violation.</i></p>
<ul style="list-style-type: none"> The existence of an offer is not confidential 	<p><i>Disclosing that an offer has been made or that an offer may be received is not confidential information.</i></p>
<ul style="list-style-type: none"> Full-price offer does not obligate the seller to accept the offer 	<p><i>Listing property for sale is an invitation from the seller for buyers to make offers. The seller is not obligated to sell the property even if a buyer makes a full price, cash offer.</i></p>
<ul style="list-style-type: none"> No priority to offers 	<p><i>The first or highest offer made does not bind or otherwise limit the seller to act upon that offer before considering any other offers.</i></p>
<ul style="list-style-type: none"> Agent communication 	<p><i>Agents should make reasonable efforts to keep cooperating brokers informed, consistent with client’s instructions.</i></p>
<ul style="list-style-type: none"> Agents are not attorneys 	<p><i>Agents should advise clients to seek legal counsel from attorneys regarding any questions about the legal status of an offer or contract.</i></p>

The Seller Client – An informed seller will be ready to make the right decision when an offer or multiple offers are received.

When taking the listing:

- *Discuss seller’s motivation for selling.*
- *Discuss impact of current market conditions, i.e., season, types of financing, length of time on market.*
- *Review Guiding Principles (on page one).*
- *Explain that multiple offers may be received and that the client decides whether to disclose the existence of other offers to other agents and/or buyers.*
- *Confirm that decisions about how offers will be presented, negotiated and ultimately accepted or withdrawn will be made by the seller – not the agent.*

When the offer is received:

- *Discuss the terms of the offer(s) – if multiple offers, compare terms.*
- *Inform seller of any other interest in the property.*
 - ✓ *Potential of other offers*
 - ✓ *Scheduled showings*
 - ✓ *Recent showings that may require follow-up.*
- *Seller may instruct agent to keep the existence of offers or interest confidential.*

Seller’s options – one offer:

- *Accept, reject, counter, delay during time for acceptance, seek out other offer or do nothing.*
- *Explain pluses and minuses of each option – including the potential of a buyer withdrawing an offer during a delay.*

Seller’s options – multiple offers:

- *Accept one offer.*
- *Reject all offers and encourage “best” offers.*
- *Counter one offer (may withdraw counter, in writing, prior to acceptance) – do not inform other buyers.*
- *Delay during time for acceptance.*
- *Alert one or more buyers that they are in a multiple offer situation.*
- *Reject all offers.*
- *Do nothing.*
- *Consider the pluses and minuses of each option – delaying or inviting all buyers to make their “best” offer may produce better offer(s) or may discourage buyers who may withdraw.*

The Buyer Client – An informed buyer will be ready to make the right decision when making an offer.

When entering into a buyer agent agreement:

- *Discuss buyer’s motivation for purchasing.*
- *Discuss current market conditions, i.e. season, types of financing, average length of time for properties on the market.*
- *Review Guiding Principles (on page one).*
- *Explain that multiple offers may be made on one property. In those situations, only one offer may result in a sale and one (or more) buyer(s) may be disappointed.*
- *Explain that buyer agent may have more than one client interested in the same property. In those situations, buyer agent will notify all clients who have expressed an interest in the property of any other interest and/or that an offer has been made.*
- *Explain that seller is not obligated to acknowledge, counter or reject an offer and may inform other buyers of existence of an offer or may do nothing.*
- *Confirm that decisions about how offers will be negotiated and presented or withdrawn will be made by the buyer – not the agent.*

When the offer is made – discuss with buyer the possibility of multiple offers:

- *Initial offer may be the only opportunity to buy.*
- *Inform buyer of any other interest in property buyer agent is aware of, even if from other clients of buyer agent who have expressed an interest in the property. Remind buyer client that buyer agent will notify those other clients that an offer has been made (terms and conditions remain confidential).*
- *There is no requirement that the buyer be informed by the seller or listing agent of the existence of other offers.*
- *Seller has the right to negotiate with only one buyer at a time and not reveal this to other buyers.*
- *The existence of the offer may be communicated to other buyers but the agent may not disclose the terms of buyer’s offer without written permission of the buyer prior to withdrawal, expiration or written rejection of the offer or counter offer-5 but the existence of the offer may be communicated to other buyers.*
- *Seller may accept an offer on terms other than the price.*
- *All buyers may be notified to present their “best” offer – buyer may choose to:*
 - ✓ *make different offer*
 - ✓ *leave original offer*
 - ✓ *withdraw offer in writing if period for acceptance is current*
 - ✓ *do nothing.*

Offers and Counter Offers – FAQ's (Customer Status)

A customer is a buyer or seller not represented by a real estate licensee in a transaction.

1. *What should I expect when I make or receive an offer?*

- Offers, counter offers or withdrawal of an offer should be in writing;
- Terms of offers and counter offers are confidential prior to withdrawal, expiration or written rejection of the offer or counter offer;
- The existence of an offer is not confidential;
- A full-price offer does not obligate seller to accept the offer;
- There is no priority to offers.

2. *I'm ready to make an offer. Who can prepare the offer for me?*

The listing agent (the seller's agent) or another licensee can perform ministerial acts* for a buyer such as filling in the blanks on the company's purchase and sale agreement

3. *Can I ask the listing agent (seller's agent) to tell me if other offers have been submitted to the seller?*

You can ask, but the listing agent is not required to answer your question. The listing agent has fiduciary duties to the seller client; the seller client may authorize the agent to inform you of the existence of other offers.

4. *Can I ask a licensee for advice about offers I make or receive?*

You can ask, but licensee may not provide advice to or counsel a customer.

*****"Ministerial acts" means those acts that a real estate brokerage agency performs for a person who is not a client and that are informative or clerical in nature and do not rise to the level of active representation on behalf of the person.***



Office of Professional & Occupational Regulation

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MEMORANDUM

To: Real Estate Commission Members
From: Catherine E. Pendergast, Director
Date: April 6, 2026
Subject: Proposed Rulemaking – Seller Verification

LD 2182, An Act to Implement a Recommendation of the Commission to Recommend Methods for Preventing Deed Fraud in the State, was considered by the Joint Standing Committee on Housing and Economic Development (HED). That bill would have required rulemaking for seller verification by real estate and closing agents. It was unanimously voted “Ought Not to Pass.”

The basis for the vote, in part, was because the Uniform Law Commission (ULC) had formed a Deed Fraud Study Commission in 2025 to examine the issue and create a uniform law. Some people, who would be affected as closing agents, suggested that legislation should wait until a uniform law is passed. Other reasons for the vote were that the Real Estate Commission already has broad authority over real estate brokerage practice and the authority to conduct rulemaking.

While LD 2182 did not pass, the HUD Committee sent a letter (attached) to the Director of the Office of Professional and Occupational Regulation (OPOR) asking that the rules and standards of practice for real estate agents and brokerage agencies be reviewed to explore and adopt further rule changes to combat deed fraud.

In the spirit of that request, the following draft rule is provided for your discussion to specifically call out the duty of seller identity verification in rule.

SENATE

GLENN "CHIP" CURRY, DISTRICT 11, CHAIR
DONNA BAILEY, DISTRICT 31
RICHARD BENNETT, DISTRICT 18

LYNNE WESTPHAL, LEGISLATIVE ANALYST
SOPHIA PADDON, LEGISLATIVE ANALYST
SANDLIN PREECS, COMMITTEE CLERK



HOUSE

TRACI GERE, KENNEBUNKPORT, CHAIR
CHERYL A. GOLEK, HARPSWELL
MARC G. MALON, II, BIDDEFORD
CASSIE LYNN JULIA, WATERVILLE
YUSUF M. YUSUF, PORTLAND
GRAYSON LOOKNER, PORTLAND
AMANDA N. COLLAMORE, PITTSFIELD
ARTHUR KEVIN MINGO, CALAIS
MARK WALKER, NAPLES
JOHN EDER, WATERBORO

STATE OF MAINE ONE HUNDRED AND THIRTY-SECOND LEGISLATURE JOINT STANDING COMMITTEE ON HOUSING AND ECONOMIC DEVELOPMENT

March 27, 2026

Penny Vaillancourt
Director, Office of Professional and Occupational Regulation
Department of Professional and Financial Regulation
35 State House Station
Augusta, ME 04332

Dear Director Vaillancourt:

The Joint Standing Committee on Housing and Economic Development recently considered LD 2182, An Act to Implement a Recommendation of the Commission to Recommend Methods for Preventing Deed Fraud in the State. As drafted, the bill proposed to require settlement agents and real estate brokerage agencies to verify the identity of a person who is selling property prior to entering into an agreement with the seller or providing any services to the seller. During the public hearing on the bill, committee members were informed that in January 2025 the Uniform Law Commission (ULC) authorized the formation of a Deed Fraud Study Commission to research and examine the issue of deed fraud and decide whether to recommend that the ULC draft an act to address this issue. In September, the ULC Deed Fraud Study Commission recommended the creation of a uniform law addressing deed fraud, which is currently being drafted and is expected to be completed within the year. As such, opponents of the bill encouraged the committee to vote "Ought Not to Pass" on LD 2182 to provide the Uniform Law Commission time to finalize the model legislation.

During the committee's consideration of the bill, the committee was informed by the Department of Professional and Financial Regulation, Office of Professional and Occupational Regulation (OPOR), that settlement agents, real estate brokers and brokerage agencies practicing in the State are subject to existing licensing structures and that the Real Estate Commission, which operates under the jurisdiction of OPOR, has established a minimum standards of practice which, through rulemaking, can be further amended to address deed fraud behaviors.

Ultimately, recognizing OPOR's existing professional regulations and standards, opportunities to strengthen them against deed fraud and the anticipated model legislation from the Uniform Law Commission, the committee voted Ought Not to Pass on LD 2182. To that end, the committee, with the exception of one member, is writing to ask that OPOR review the rules and standards of practice governing settlement agents, real estate brokers and brokerage agencies to explore and adopt further rule changes to combat deed fraud. We also request that during the rulemaking process, OPOR consider any recommendations that may result from the ULC Deed Fraud Study Commission.

If you have any questions, please do not hesitate to contact us or our legislative analyst, Sophia Paddon. Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink that reads "Glenn Chip Curry". The signature is fluid and cursive, with the first name "Glenn" and the last name "Curry" being more legible than the middle name "Chip".

Sen. Glenn "Chip" Curry
Senate Chair

A handwritten signature in blue ink that reads "Traci Gere". The signature is very stylized and cursive, with the first name "Traci" and the last name "Gere" being the primary components.

Rep. Traci Gere
House Chair

Chapter 410: MINIMUM STANDARDS OF PRACTICE

Summary: This chapter establishes standards for practicing real estate brokerage.

SECTION 1. Advertising**1. Definitions**

- A. **Advertise.** “Advertise,” “advertising” and “advertisement” include all forms of representation, promotion and solicitation disseminated in any manner and by any means of communication for any purpose related to real estate brokerage activity, including, at a minimum, advertising the sale or purchase of real estate or promotion of real estate brokerage services conducted by mail, telephone, the internet (including but not limited to the world wide web, electronic mail and social media), business cards, signs, television, radio, magazines, newspapers, and telephonic greetings or answering machine messages.
- B. **Prominent.** “Prominent” means standing out so as to be seen easily; conspicuous; particularly noticeable.

2. Advertising by Real Estate Brokerage Agencies

Real estate brokerage advertisements must contain the agency’s trade name as licensed by the Commission of the real estate brokerage agency that placed the advertisement. If the agency is not licensed with a trade name, the legal name shall be used. The name of the agency must be prominently displayed or presented. In an advertisement that appears on or is sent via the internet, the name of the agency that placed the advertisement must prominently appear or be readily accessible.

The designated broker may authorize an advertisement that includes the name, telephone number, slogan, logotype or photo of an affiliated licensee or group or team of affiliated licensees as part of the brokerage services being offered by the real estate brokerage agency. The affiliated licensee or group or team of affiliated licensees may not independently engage in real estate brokerage.

3. Written Permission of Owner Required to Advertise

A real estate brokerage agency or its affiliated licensees shall not advertise any real estate for sale without first obtaining the written permission of the owner or the owner’s authorized representative.

4. **Advertising of Exclusive Listing Held by Another Agency**

A real estate brokerage agency or its affiliated licensees shall not publish or cause to be published an advertisement that makes reference to the availability of real estate which is exclusively listed for sale by another real estate brokerage agency unless the licensee obtains the prior written consent of the designated broker who has been authorized by the owner to provide consent.

5. **Deception and Misrepresentation Prohibited**

Advertising must be free from deception and shall not misrepresent the condition of the real estate, terms of the sale or purchase, real estate brokerage agency policies, or real estate brokerage services.

SECTION 2. Acting in Self-Interest

1. A licensee holding an active real estate license shall disclose, in the offer to purchase as a buyer, or as part of the property disclosure information as a seller, that the licensee is a real estate licensee:
 - A. When buying or selling real estate not listed with a real estate brokerage agency;
 - B. When buying or selling real estate listed with the licensee's real estate brokerage agency; or
 - C. When buying or selling real estate and sharing in the brokerage fee resulting from the sale of such real estate.

SECTION 3. Market Value

1. **When Opinion Permitted**

A licensee may provide a free opinion of value to a buyer or seller when the licensee is soliciting the buyer or seller to provide brokerage services and before an agreement to provide any services has been reached or executed.

2. **When Advice Prohibited**

At any time after the solicitation to provide brokerage services, as described in Section 3(1) of this chapter, a transaction broker may not provide advice to either party regarding market value.

3. **Provision of Comparable Market Data**

A licensee who provides comparable market data to a buyer or seller for the buyer or seller to determine market value or list price is performing a ministerial act as defined in Title 32, Section 13271, Subsection 9 of the Maine Revised Statutes.

4. **Factors or Conditions That May Impact the Client's Interest**

A licensee who represents a buyer or seller client shall advise the client of any factors or conditions actually known by the licensee, or if acting in a reasonable manner, should have been known by the licensee, that may materially impact the client's interest as it pertains to the market value of real estate.

SECTION 4. Net Listing Prohibited

A net listing shall be prohibited. A net listing is a type of listing in which the real estate brokerage agency receives, as commission, all excess money over and above the minimum sale price set by the seller.

SECTION 5. Duty to Furnish Real Estate Brokerage-Related Documents

A licensee shall furnish copies of brokerage agreements, offers, counteroffers, and all types of contracts to the person signing the documents at the time of signature. Upon obtaining a written acceptance of an offer or counteroffer to purchase real estate, a licensee shall, within a reasonable time, deliver true, legible copies of the purchase and sale contract, signed by the seller and buyer, to both seller and buyer, or the licensee working with the other party.

SECTION 6. Disclosure of Real Estate Brokerage Agency Compensation Policy

1. **Other Agencies**

Written brokerage agreements must include a statement disclosing the real estate brokerage agency's policy on cooperating with and compensating other real estate brokerage agencies in the sale or purchase of real estate. If the real estate brokerage agency's policy is to not compensate all other real estate brokerage agencies in the same manner, or not compensate other agencies at all, this policy must be included in the statement.

2. **Affiliated Licensees**

When a real estate brokerage agency's policy on paying commissions to its affiliated licensees provides for an incentive to an affiliated licensee for a greater commission for an in-house sale versus transactions involving a cooperating real estate brokerage agency, this policy must be disclosed in a written brokerage agreement with a buyer or seller.

SECTION 7. Disclosed Dual Agency

A real estate brokerage agency which has a written company policy that permits disclosed dual agency shall obtain the informed written consent, as set forth in 32 M.R.S. § 13275, of the seller or buyer to the disclosed dual agency relationship at the time of entering into a written brokerage agreement that creates an agent-client relationship.

SECTION 8. Appointed Agent Procedures and Disclosure**1. Designated Broker Responsibilities – Appointed Agent**

- A. A designated broker appointing an affiliated licensee(s) to act as an agent of a client shall take ordinary and necessary care to protect confidential information disclosed by the client to the appointed agent.
- B. An appointed agent may disclose to the agency's designated broker, or a designee specified by the designated broker, confidential information of a client for the purpose of seeking advice or assistance for the benefit of the client in regard to a possible transaction. Confidential information shall be treated as such by the designated broker or other specified representative of the broker and shall not be disclosed unless otherwise required by Title 32, Chapter 114 of the Maine Revised Statutes or Commission rules, or requested or permitted by the client who originally disclosed the confidential information.
- C. A designated broker who is appointed to act as the agent of the client must select a designee to fulfill the responsibilities as listed in Section 8(1)(B) of this chapter.

2. Appointed Agent – Disclosure

The appointed agent disclosure shall be provided to the client prior to entering into a written brokerage agreement and shall include, at a minimum, the following provisions:

- A. The name of the appointed agent and type of license held;
- B. A statement that the appointed agent will be the client's agent and will owe the client fiduciary duties which, among other things, include the obligation not to reveal confidential information obtained from the client to other licensees, except to the designated broker or the designated broker's designee, as listed in Section 8(1)(B) of this chapter, for the purpose of seeking advice or assistance for the benefit of the client;
- C. A statement that the real estate brokerage agency may be representing both the seller and the buyer in connection with the sale or purchase of real estate;
- D. A statement that other agents may be appointed during the term of the written brokerage agreement should the appointed agent not be able to fulfill the terms of the written brokerage agreement or as by agreement between the designated broker and client. At the appointment of new or additional agent(s), the designated broker must comply with the provisions of this Section, including but not limited to, obtaining the client's signature consenting or not consenting to the appointment. An appointment of another agent as a new or additional agent does not relieve the first appointed agent of any of the fiduciary duties owed to the client; and
- E. A section for the client to consent or not consent, in writing, to the appointment.

SECTION 9. Real Estate Brokerage Relationship Disclosure Procedures**1. Real Estate Brokerage Relationships Form**

The Commission incorporates into this chapter by reference the Real Estate Brokerage Relationships Form attached to this chapter. (Real Estate Brokerage Relationships Form revised 07/06).

2. Obligation to Furnish Real Estate Brokerage Relationships Form

Except as provided in Section 9(3) of this chapter, a licensee shall furnish a prospective buyer or seller with a copy of the Real Estate Brokerage Relationships Form when there is substantive communication regarding a real estate transaction by either a face-to-face meeting, a written communication, or an electronic communication with the prospective buyer or seller. The licensee shall discuss the content of the form and ascertain the intent of the buyer or seller regarding representation. The licensee shall complete the statement on the form acknowledging that the prospective buyer or seller has been provided with the information required by Maine law regarding brokerage relationships.

3. Exceptions

A licensee is not required to provide a copy of the Real Estate Brokerage Relationships Form to a prospective buyer or seller in the following instances:

- A. The real estate is land without a residential dwelling unit;
- B. The real estate is land with more than four (4) residential dwelling units;
- C. The licensee is acting solely as a principal in a real estate transaction;
- D. The written communication from the licensee is a solicitation of business; or
- E. The licensee has knowledge, or may reasonably assume, that another licensee has given a copy of the form to a prospective buyer or seller in that transaction.

SECTION 10. Solicitation of Written Brokerage Agreements

A licensee shall not solicit a written brokerage agreement from a seller or buyer if the licensee knows, or acting in a reasonable manner should have known, that the buyer or seller has contracted with another real estate brokerage agency for the same real estate brokerage services on an exclusive basis. This Section does not preclude a real estate brokerage agency from entering into a written brokerage agreement with a seller or buyer, when the initial contact is initiated by the seller or buyer, provided that the written brokerage agreement does not become effective until the expiration or release of the previous written brokerage agreement.

SECTION 11. Inducements

The offering of a free gift, prize, money or other valuable consideration by a real estate brokerage agency or affiliated licensee as an inducement shall be free from deception, and shall not serve to distort the true value of the real estate or the service being promoted. Any limitations or conditions of the offering must be prominently displayed or presented. In an offering that appears on or is sent via the Internet, any limitations or conditions of the offering must prominently appear in the offering itself, or in a page view or window that is directly and immediately accessible via a link in the offering. The link must be identified by words such as “limitations,” “conditions,” or “terms of offer” and must prominently appear in the offering.

A real estate brokerage agency that claims to make contributions to charities as an inducement must produce to the Director any records related to such contributions upon request.

SECTION 12. Confidentiality of Offers and Purchase and Sale Contract Terms

1. A real estate brokerage agency or affiliated licensees shall not disclose any terms of an offer or counteroffer to anyone other than the parties to the offer or counteroffer without the prior written permission of the parties prior to withdrawal, expiration or written rejection of the offer or counteroffer.

A real estate brokerage agency or affiliated licensees shall not disclose the terms of an executed contract to anyone other than the parties to the agreement without the prior written permission of the parties prior to the transaction closing or terminating.

Buyer names and addresses ~~are not terms of an offer and~~ shall not be disclosed.

2. Notwithstanding the confidentiality provision contained in Section 12(1) of this chapter, any such document referenced in this section shall be made available to the Director of the Commission upon request.

SECTION 13. Licensee's Duty

1. **Keep the Designated Broker Informed**

An affiliated licensee shall keep the designated broker fully informed of all activities conducted on behalf of the agency and shall notify the designated broker of any other activities that might impact on the responsibilities of the designated broker as set forth in Chapter 400, Section 1 of the Commission's rules, including that an affiliated licensee has terminated affiliation with the agency.

2. **Provide Documents to Designated Broker**

An affiliated licensee must provide originals or true copies of all real estate brokerage documents and records prepared in a real estate transaction as listed in Chapter 400, Section 4 of the Commission's rules to the designated broker within five (5) calendar days after execution of the document or record.

3. **Internet Sites**

An affiliated licensee may not directly or indirectly, independently or through others develop and upload an internet site that promotes real estate brokerage services or the sale or purchase of real estate through the agency with whom the licensee is affiliated without the consent of the designated broker.

Any internet site developed or uploaded under this Section must comply with the advertising requirements set forth in Chapter 410, Section 1 of the Commission's rules.

4. **Seller Verification**

An affiliated licensee shall take reasonable steps to verify the identity of a seller and the seller's legal authority to transfer a property prior to entering into a brokerage agreement or providing real estate brokerage services in a real estate transaction.

Steps taken to verify seller identity should be reflective of the transaction-specific risks for seller impersonation which may be higher in certain situations including, but not limited to, transactions involving a nonresident seller or unimproved land.

OR

The steps taken to verify must be appropriate to the risk of seller impersonation in the transaction. Increased diligence should be applied in higher risk situations, including, but not limited to transactions involving non-resident sellers or unimproved land.

SECTION 14. Licensee's Duty to Obtain and Provide Disclosure Information on Private Water Supply, Heating, Waste Disposal System, Known Hazardous Materials, Potential Flood Risks and Access to Property

All licensees have a duty to obtain and provide disclosure information on private water supply, heating, waste disposal system, known hazardous materials, potential flood risks, and access to property regardless of their relationship with buyer or seller. Forms used by an agency to provide property disclosure information shall be filled out completely.

1. **Listing Licensee**

A listing licensee shall be responsible for obtaining information necessary to make disclosures, as set forth in Sections 15 to 20 of this chapter, to buyers and shall make a reasonable effort to assure that the information is conveyed to a selling licensee.

2. **Selling Licensee**

A selling licensee shall be responsible for obtaining from the listing licensee the information necessary for making written property disclosures, as set forth in Sections 15 to 20 of this chapter, and for assuring that the disclosures are made to buyers.

3. **Unlisted Property**

In a real estate brokerage transaction where the property is not listed with a real estate brokerage agency, a licensee shall be responsible for obtaining from the seller or other

sources to the extent possible the information necessary for making written property disclosures, as set forth in Sections 15 to 20 of this chapter, and for assuring that the disclosures are made to the buyer.

SECTION 15. Private Water Supply Disclosure

A licensee listing a single-family residential property, a multifamily property, a residential lot or a commercial property with a residential component served by a private water supply, and a licensee in such transactions when the property is not listed with a real estate brokerage agency, shall ask the seller for the following information:

1. Type of system;
2. Location;
3. Malfunctions;
4. Date of installation;
5. Date of most recent water test; and
6. Whether or not the seller has experienced a problem such as an unsatisfactory water test or a water test with notations.

Such information and any other information obtained through different sources and means pertinent to the private water supply shall be conveyed, in writing, to a buyer prior to or during preparation of an offer. The fact that information regarding the private water supply is not available shall also be conveyed, in writing, when such is the case.

SECTION 16. Heating Disclosure

A licensee listing a single-family residential property, a multifamily property or a commercial property with a residential component, and a licensee in such transactions when the property is not listed with a real estate brokerage agency, shall ask the seller for the following information regarding the heating system(s) and/or source(s):

1. Type(s);
2. Age of system/source(s);
3. Name of company who services system/source(s);
4. Date of most recent service call;
5. Annual consumption per system/source (*i.e.*, gallons, kilowatt hours, cords);
6. Malfunctions per system/source within the past 2 years; and
7. Date of most recent inspection of any chimneys and any vents for the heating system or source.

Such information and any other information obtained through different sources and means pertinent to the heating system(s) and/or source(s) shall be conveyed, in writing, to a buyer prior to or during the preparation of an offer. The fact that information pertinent to the heating system(s) and/or source(s) is not available shall be conveyed, in writing, when such is the case.

SECTION 17. Waste Disposal System Disclosure

1. Private Waste Disposal System

A licensee listing a single-family residential property, a multifamily property, a residential lot or a commercial property with a residential component served by a private waste disposal system, and a licensee in such transactions when the property is not listed with a real estate brokerage agency, shall ask the seller for the following information:

- A. Type of system;
- B. Size of tank;
- C. Type of tank;
- D. Location of tank;
- E. Malfunctions of tank;
- F. Date of installation of tank;
- G. Location of leach field;
- H. Malfunctions of leach field;
- I. Date of installation of leach field;
- J. Date of most recent servicing of system; and
- K. Name of the contractor who services the system.

Such information and any other information obtained through different sources and means pertinent to the waste disposal system shall be conveyed, in writing, to a buyer prior to or during preparation of an offer. The fact that information regarding the waste disposal system is not available shall also be conveyed, in writing, when such is the case.

2. Municipal or Quasi-Public Waste Disposal System

A licensee listing a single-family residential property, a multifamily property, a residential lot or a commercial property with a residential component served by a municipal or quasi-public waste disposal system, and a licensee in such transactions when the property is not listed with a real estate brokerage agency, shall ask the seller if the seller has experienced any system or line malfunction. This information shall be conveyed, in writing, to a buyer prior to or during the preparation of an offer.

SECTION 18. Known Hazardous Materials Disclosure

1. **Duty to Keep Informed**

A licensee shall keep informed of any federal, state or local laws, rules, regulations or ordinances concerning known hazardous materials that may impact negatively upon the health and well-being of buyers and sellers.

2. **Duty to Disclose**

A listing licensee, and a licensee in transactions when the property is not listed with a real estate brokerage agency, shall disclose, in writing, whether the seller makes any representations regarding current or previously existing known hazardous materials on or in the real estate. In addition, the licensee shall give a written statement to the buyer encouraging the buyer to seek information from professionals regarding any specific hazardous material issue or concern. Such written representation and statement shall be conveyed to a buyer prior to or during the preparation of an offer.

3. **Request for Information from Seller**

A licensee listing a single-family residential property, a multifamily property, a commercial property with a residential component and a licensee in such transactions when the property is not listed with a real estate brokerage agency, shall ask the seller whether the seller has any knowledge of the presence of or prior removal of hazardous materials or elements on the property, including, but not limited to asbestos, radon, lead-based paint, underground storage tanks and methamphetamine. Such information and any other information obtained through different sources and means pertinent to hazardous materials shall be conveyed, in writing, to a buyer prior to or during preparation of an offer. The fact that information regarding hazardous materials is not available shall also be conveyed, in writing, when such is the case.

SECTION 19. Flood Risk Disclosure

1. **Duty to Disclose**

A licensee listing for sale real property, and a licensee in transactions when the real property is not listed with a real estate brokerage agency, shall convey to a buyer prior to or during the preparation of an offer, information regarding potential flood risks, including:

- A. Whether, at the time the seller provides the information to the purchaser, the property is located wholly or partly within an area of special flood hazard mapped on the effective flood insurance rate map issued by the Federal Emergency Management Agency on or after March 4, 2002; the federally designated flood zone for the property indicated on that flood insurance rate map; and a copy of the relevant panel of that flood insurance rate map.

For the purposes of this paragraph, "area of special flood hazard" means land in a floodplain having a 1% or greater chance of flooding in any given year, as identified in the effective federal flood insurance study and corresponding flood insurance rate maps.

- B. Whether, during the time that the prospective seller has owned the property:

- (1) Any flood events affected the property or a structure on the property;
- (2) Any flood-related damage to a structure occurred on the property;
- (3) Any flood insurance claims were filed for a structure on the property and, if so, the date of each claim; and
- (4) Any past disaster-related aid was provided related to the property or a structure on the property from federal, state or local sources for the purposes of flood recovery and, if so, the date of each payment; and

C. For the purposes of this subsection, "flood" means:

- (1) A general and temporary condition of partial or complete inundation of normally dry areas from:
 - (a) The overflow of inland or tidal waters; or
 - (b) The unusual and rapid accumulation or runoff of surface waters from any source; or
- (2) The collapse or subsidence of land along the shore of a lake or other body of water as a result of erosion or undermining caused by waves or currents of water exceeding anticipated cyclical levels or suddenly caused by an unusually high water level in a natural body of water, accompanied by a severe storm or by an unanticipated force of nature, such as a flash flood or an abnormal tidal surge, or by some similarly unusual and unforeseeable event that results in flooding as described in subparagraph (1), division (a).

Such information and any other information obtained through different sources and means pertinent to flood risk shall be conveyed, in writing, to a buyer prior to or during preparation of an offer. The fact that information regarding flood risk is not available shall also be conveyed, in writing, when such is the case.

SECTION 20. Access to Property

A licensee listing for sale real property, and a licensee in transactions when the residential real property is not listed with a real estate brokerage agency, shall ask the seller for information describing the means of accessing the property by:

1. A public way, as defined in Title 29-A, section 101; and
2. Any means other than a public way, in which case the seller shall disclose information about who is responsible for maintenance of the means of access, including any responsible road association.

Such information and any other information obtained through different sources and means pertinent to access to the property shall be conveyed, in writing, to a buyer prior to or during preparation of an offer. The fact that information regarding access to the property is not available shall also be conveyed, in writing, when such is the case.

SECTION 21. Referral Fees**1. Certain Referral Fees Prohibited**

A licensee may not receive compensation or other valuable consideration from a title company, lender or closing company or any affiliated employee for directing a buyer or seller in a real estate transaction to a company or an individual for financing, title or closing services.

2. Disclosure of Certain Referral Fees Required

A licensee who anticipates receiving compensation or other valuable consideration from a company or person for a referral of services, other than the services listed in Section 21(1) of this chapter or real estate brokerage services, to a buyer or seller during a real estate brokerage transaction may not accept such compensation or valuable consideration unless the licensee discloses in writing to the person paying for such service, and to the client if not the same person, that the licensee anticipates receiving such compensation or other valuable compensation for such referral.

[APA Office Note: the Real Estate Brokerage Relationships Form is a separate file in Adobe .pdf format.]

STATUTORY AUTHORITY: 32 M.R.S. §§ 13065(3), 13271, 13272, 13273, 13274, 13275, 13277, 13278, 13279, 13280; 33 M.R.S. §§ 173, 193

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