

**RULES
OF
THE TENNESSEE REAL ESTATE COMMISSION**

**CHAPTER 1260-01
LICENSING**

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1260-01-.01 APPLICATIONS FOR EXAMINATIONS.

- (1) Affiliate Brokers. Applicants for the affiliated brokers examination must follow the procedures published by the testing vendor approved by the Tennessee Real Estate Commission concerning appointments for testing information required, and deadlines for submission of examination applications.
- (2) Brokers. Applications for the brokers examination must follow the procedures published by the testing vendor approved by the Tennessee Real Estate Commission concerning appointments for testing, information required, and deadlines for submission of examination applications.
- (3) An applicant who passes an examination is not necessarily qualified for licensure.
- (4) No person shall be eligible for examination or be considered for licensure unless two (2) years have passed from the date of expiration of probation, parole or conviction, or from the date of release from incarceration, whichever is later in time. This restriction shall apply to all felonies, and to misdemeanors which involve the theft of money, services, or property. An applicant who appears before the Commission requesting licensure and who is denied will not be eligible for reconsideration for six (6) months from the date of denial.
- (5) Notwithstanding the provisions of paragraph (4) of this rule, if a person possesses a certificate of employability pursuant to T.C.A. § 40-29-107, that person shall not be denied the issuance of a license based solely on the person's past record of criminal activity but shall instead be required to appear before the Commission for the purpose of the Commission considering on a case-by-case basis whether to grant or deny the issuance of the license.

Authority: T.C.A. §§ 62-13-112, 62-13-203, 62-13-301, 62-13-303, 62-13-312, and 40-29-207.
Administrative History: Original rule certified June 7, 1974. Repeal and refiled March 3, 1980; effective April 27, 1980. Repeal and new rule filed April 17, 1985; effective May 17, 1985. Amendment filed September 16, 1987; effective October 31, 1987. Amendment filed November 21, 1988; effective January 5, 1989. Amendment filed June 17, 1991; effective August 11, 1991. Amendment filed July 31, 2006; effective October 14, 2006. Amendment filed December 3, 2007; effective February 16, 2008. Amendment filed May 6, 2015; effective August 4, 2015.

1260-01-.02 EXAMINATIONS.

- (1) All examinations are scheduled in advance by the testing vendor which actually administers them. All applicants for examination must comply with the procedures published by the testing vendor approved by the Tennessee Real Estate Commission.
- (2)
 - (a) The minimum passing requirement for licensees shall be determined by the testing vendor and based on a study which will determine the difficulty of each examination question for an entry level licensee and conducted in accordance with the procedures approved by the Tennessee Real Estate Commission.
 - (b) An applicant may be excused from the "uniform principles of real estate" portion of the examination if he:
 1. holds a license in another state and has successfully completed an examination approved by the Tennessee Real Estate Commission; and
 2. has attained on the "uniform principles" portion of such examination at least the minimum passing score requirement.
- (3) Any applicant detected cheating during an examination shall forfeit his right to grading of the examination and may be subject to further action by the Commission.
- (4) In case of failure to pass the examination:
 - (a) the unsuccessful applicant will be given a written analysis of his test results; and
 - (b) the unsuccessful applicant must follow reexamination procedures published by the testing service.

Authority: T.C.A. §§ 62-13-203 and 62-13-304. **Administrative History:** Original rule certified June 7, 1974. Repealed and refiled March 3, 1980; effective April 27, 1980. Amendment filed September 30, 1980; effective December 15, 1980. Amendment filed January 21, 1983; effective February 22, 1983. Amendment filed June 17, 1991; effective August 11, 1991. Amendment filed October 1, 1998; effective December 15, 1998.

1260-01-.03 REPEALED.

Authority: T.C.A. § 62-13-203. **Administrative History:** Original rule certified June 7, 1974. Repealed and refiled March 3, 1980; effective April 27, 1980. Repeal by Public Chapter 440; effective July 1, 1985.

1260-01-.04 LICENSES.

- (1) No principal broker shall permit a broker, affiliate broker or time-share salesperson under his supervision to engage in the real estate business unless the broker, affiliate broker or time-share salesperson has been issued a valid license and is covered by an errors and omissions insurance policy.
- (2) Each licensee is individually responsible for satisfying all legal requirements for retention of his license, including, but not limited to, paying appropriate fees; and completing real estate education.
- (3) Each licensee in a firm must obtain any desired change of affiliation or status through the firm's principal broker.

(Rule 1260-01-.04 continued)

- (4) All Tennessee licensees holding nonresident licenses issued in other states shall file copies of such licenses in the Office of the Tennessee Real Estate Commission and with their principal broker.
- (5) A time-share salesperson shall only participate in time-share transactions when he is affiliated with a firm which is affiliated with a registered time-share project.

Authority: T.C.A. §§ 62-13-203 and 62-13-102(5). **Administrative History:** Original rule certified June 7, 1974. Repealed and refiled March 3, 1980; effective April 27, 1980. Amendment filed January 21, 1983; effective February 22, 1983. Amendment filed May 11, 1984; effective June 10, 1984. Amendment filed June 17, 1991; effective August 11, 1991. Amendment filed October 1, 1998; effective December 15, 1998.

1260-01-.05 REPEALED.

Authority: T.C.A. §§ 62-13-203 and 62-13-208. **Administrative History:** Original rule certified June 7, 1974. Repealed and refiled March 3, 1980; effective April 27, 1980. Amendment filed January 21, 1983; effective February 22, 1983. Amendment filed May 11, 1984; effective June 10, 1984. Amendment filed June 17, 1991; effective August 11, 1991. Amendment filed March 24, 1994; effective June 7, 1994. Amendment filed December 8, 1999; effective February 21, 2000.

1260-01-.06 REPEALED.

Authority: T.C.A. § 62-13-203. **Administrative History:** Original rule certified June 7, 1974. Repealed and refiled March 3, 1980; effective April 27, 1980. Amendment filed January 21, 1983; effective February 22, 1983. Amendment filed October 1, 1998; effective December 15, 1998.

1260-01-.07 REPEALED.

Authority: T.C.A. § 62-1311. **Administrative History:** Original rule certified June 7, 1974. Repealed March 3, 1980; effective April 27, 1980.

1260-01-.08 REPEALED.

Authority: T.C.A. § 62-1311. **Administrative History:** Original rule certified June 7, 1974. Repealed March 3, 1980; effective April 27, 1980.

1260-01-.09 REPEALED.

Authority: T.C.A. § 62-1311. **Administrative History:** Original rule certified June 7, 1974. Repealed March 3, 1980; effective April 27, 1980.

1260-01-.10 REPEALED.

Authority: T.C.A. §§ 62-13-203 and 62-13-208; §6(c), Chapter 810, Public Acts of 1984. **Administrative History:** New rule filed August 27, 1984; effective September 26, 1984. Amendment filed June 17, 1991; effective August 11, 1991. Amendment filed October 1, 1998; effective December 15, 1998.

1260-01-.11 USE OF EDUCATION AND RECOVERY ACCOUNT EARNINGS.

- (1) The Commission may utilize earnings of the real estate education and recovery account (established by T.C.A. § 62-13-208) to cover expenses incurred in:
 - (a) The performance of functions authorized by T.C.A. §§ 62-13-107 and 62-13-108; and

(Rule 1260-01-.11 continued)

- (b) The preparation and dissemination of information for the benefit of licensees, including whatever training of Commission members and staff is reasonably necessary to enable them to advise licensees on pertinent subjects. (Such training may entail procurement of publications and materials; attendance at seminars and conferences; et cetera.)
- (2) Without limiting the generality of paragraph (1) of this rule, the Commission may utilize education and recovery account earnings to:
- (a) Hold or assist in holding seminars concerning regulatory matters and business practices affecting licenses;
 - (b) Monitor and evaluate approved post-licensing courses in real estate in order to ensure that they are structured and conducted to provide maximum benefit to licensees; and
 - (c) Publish and distribute a newsletter containing information of interest to licensees.
- (3) This rule shall not be construed to:
- (a) Authorize any expenditure or commitment of funds hereunder which would reduce the balance in the education and recovery account to an amount less than five hundred thousand dollars (\$500,000.00); or
 - (b) Preclude the expenditure or commitment of funds specifically appropriated by the General Assembly for any purpose.

Authority: T.C.A. §§ 62-13-103 and 62-13-208. **Administrative History:** Original rule filed April 30, 1987; effective June 14, 1987.

1260-01-.12 FEES. The following fees shall apply:

- (1) For each examination, a fee to be paid to the testing vendor as set by state contract;
- (2) For the issuance of an original license, a fee to be paid to the Commission of one hundred dollars (\$100.00);
- (3) For each renewal of a license, a fee to be paid to the Commission of eighty dollars (\$80.00);
- (4) A fee to be paid to the Commission for the following:
 - (a) Change of firm address, fifty dollars (\$50.00);
 - (b) Change of Principal Broker, twenty-five dollars (\$25.00);
 - (c) Transfer of affiliation or transfer in or out of retirement status, twenty-five dollars (\$25.00);
 - (d) Commission manual, ten dollars (\$10.00);
 - (e) Certified copies, one dollar (\$1.00) per page;
 - (f) Copies, twenty-five cents (\$.25) per page;
 - (g) Printouts of licensee information, charges will be based upon the cost of producing said printout;
 - (h) Certification of licensure, twenty-five dollars (\$25.00);

(Rule 1260-01-.12, continued)

- (i) Printouts of licensee continuing education, ten dollars (\$10.00);
 - (j) Change of name, ten dollars (\$10.00);
 - (k) Duplicate license, ten dollars (\$10.00);
 - (l) Bad Checks must be made good within five (5) days after the licensee is notified. Any bad check not made good within sixty (60) days of the notification will be subject to a one hundred dollar (\$100.00) fee for collection.
- (5) A penalty fee of fifty dollars (\$50.00) per month, or portion thereof, for failing to timely renew a license if the licensee reinstates the license within the sixty (60) day time frame set forth in T.C.A. § 62-13-319(a); provided however, the Commission shall have the discretion to waive or lower said fee for good cause shown.
- (6) When any individual applies for an original license as a broker, affiliate broker or time-share salesperson, the applicant shall pay, in addition to the original license fee, a fee in the amount of ten dollars (\$10.00) for deposit into the real estate education and recovery account.

Authority: T.C.A. §§ 62-13-203, 62-13-307, 62-13-208(c)(1), 62-13-308, and 62-13-319. **Administrative History:** Original rule filed July 14, 1989; effective August 28, 1989. Amendment filed June 17, 1991; effective August 11, 1991. Amendment filed October 1, 1998; effective December 15, 1998. Amendment filed December 8, 1999; effective February 21, 2000. Amendment filed December 3, 2007; effective February 16, 2008. Amendment filed December 3, 2012; effective March 3, 2013.

1260-01-.13 REPEALED.

Authority: T.C.A. § 62-13-304(a). **Administrative History:** Original rule filed August 16, 1989; effective September 30, 1989. Repeal filed March 24, 1994; effective June 7, 1994.

1260-01-.14 FILING OF DOCUMENTS.

- (1) Documents may be remitted to the Commission by:
- (a) Mail;
 - (b) Fax;
 - (c) E-mail;
 - (d) Hand delivery; or
 - (e) Through an online submission approved by the Director containing substantially the same information as the document or form being submitted.
- (2) When documents are remitted to the office of the Tennessee Real Estate Commission by mail for filing, the date of filing shall be determined by the official postmark on such mail. Documents submitted electronically or by hand-delivery shall not be considered filed if received after the Commission's business hours on the date of any applicable deadline.
- (3) The Director is authorized to develop a process for the online submission of any of the documents or forms of the Commission. The online submission shall contain substantially the same information as the document or form being submitted and an electronic signature shall be required where a document or form is required to be signed. Nothing in this rule shall require that such an online submission be developed.

(Rule 1260-01-.14, continued)

Authority: T.C.A. §§ 56-1-302(c) and 62-13-203. **Administrative History:** Original rule filed September 13, 1989; effective October 28, 1989. Amendments filed October 18, 2016; effective January 16, 2017.

1260-01-.15 ERRORS AND OMISSIONS INSURANCE COVERAGE.

It shall be a requirement for an active licensee to carry errors and omissions insurance to cover all activities contemplated under the Tennessee Real Estate Broker License Act unless the Commission is unable to obtain coverage pursuant to T.C.A. § 62-13-112(g) which would void the requirement of coverage under the applicable contract period.

- (1) A licensee who places his license in an inactive or retired status is not required to carry errors and omissions insurance until such time as his license is activated.
- (2) New licensees, licensees who activate their license from an inactive or retired status, and licensees who reinstate their license from an expired status at a time other than the beginning of the licensing period shall pay a prorated premium in accordance with a schedule provided by the insurance provider.
- (3) The Commission shall perform random audits to assure that licensees have met the requirements of this rule.
- (4) Any independently obtained errors and omissions insurance policy shall, at a minimum, be issued upon the same terms and conditions as the policy obtained by the Tennessee Real Estate Commission pursuant to T.C.A. § 62-13-112, including, but not limited to, the limits of coverage, the permissible deductible, the permissible exemptions and the term of the policy.

Authority: T.C.A. §§ 62-13-203 and 62-13-212. **Administrative History:** Original rule filed October 15, 1990; effective November 29, 1990. Amendment filed October 1, 1998; effective December 15, 1998. Amendment filed December 3, 2007; effective February 16, 2008.

1260-01-.16 LAPSED ERRORS AND OMISSIONS INSURANCE.

- (1) Licensees Who Fail to Maintain Errors & Omissions (E&O) Insurance
 - (a) Penalty fees for Reinstatement of a Suspended License: Any licensee whose license is suspended for more than thirty (30) days pursuant to T.C.A. § 62-13-112 for failure to maintain E&O insurance must provide proof of insurance that complies with the required terms and conditions of coverage to the Commission and must pay the following applicable penalty fee in order to reinstate the license:
 1. For a license suspended due to a lapse in E&O coverage for more than thirty (30) days but within one hundred twenty (120) days:
 - (i) Two Hundred Dollars (\$200.00) if the licensee's insurance carrier back-dated the licensee's E&O insurance policy to indicate continuous coverage; or
 - (ii) Four Hundred Dollars (\$400.00) if the licensee's insurance carrier did not back-date the licensee's E&O insurance policy to indicate continuous coverage.
 2. For a license suspended due to a lapse in E&O coverage for more than one hundred twenty (120) days but less than six (6) months, a Five Hundred Dollar (\$500.00) penalty fee;

(Rule 1260-01-.16, continued)

3. For a license suspended due to a lapse in E&O coverage for six (6) months up to one (1) year, a Five Hundred Dollar (\$500.00) penalty fee plus a penalty fee of One Hundred Dollars (\$100.00) per month, or portion thereof, for months six (6) through twelve (12).
- (b) Conditions for Reissuance of a Revoked License: Upon revocation of a license pursuant to T.C.A. § 62-13-112 for failure to maintain E&O insurance, any individual seeking reissuance of such license shall:
1. Reapply for licensure, including payment of all fees for such application;
 2. Pay the penalty fees outlined in subparagraph (a) above;
 3. Pass all required examinations for licensure, unless the Commission waives such examinations; and
 4. Meet any current education requirements for licensure, unless the Commission waives such education requirements.
- (2) Principal Brokers of Licensees Who Fail to Maintain E&O Insurance:
- (a) A principal broker shall ensure, at all times, that all licensees affiliated with that principal broker shall hold E&O insurance as required by law. A failure to do so shall constitute failing to exercise adequate supervision over the activities of a licensed affiliated broker.
 - (b) For any principal broker who has an affiliated licensee whose license is suspended pursuant to T.C.A. § 62-13-112 for failure to maintain E&O insurance, there shall be no penalty to the principal broker if either of the following two (2) circumstances occur within thirty (30) days of that affiliated licensee's license suspension:
 1. The affiliated licensee has provided proof of insurance which complies with the required terms and conditions of coverage to the Commission; or
 2. The principal broker releases that affiliated licensee whose license is suspended for failure to maintain E&O insurance.
 - (c) After the aforementioned thirty (30) day period, if the affiliated licensee has neither provided the required proof of insurance nor been released by the principal broker, the Commission authorizes a formal hearing on the matter of the principal broker's failure to exercise adequate supervision over an affiliated licensee who failed to maintain E&O insurance but also authorizes that a consent order shall be sent to the principal broker, offering that principal broker the opportunity to settle the matter informally, thereby making formal hearing proceedings unnecessary, according to the following schedule:
 1. Notwithstanding the provisions of Tenn. Comp. R. & Regs. 1260-02-.32, if the principal broker's affiliated licensee reinstates his or her license, or the principal broker releases the affiliated licensee, more than thirty (30) days after suspension but within one hundred twenty (120) days after suspension, the consent order shall contain the following civil penalties:
 - (i) Two Hundred Dollars (\$200.00) if the affiliated licensee's insurance carrier back-dated the licensee's E&O insurance policy to indicate continuous coverage; or

(Rule 1260-01-.16, continued)

- (ii) Four Hundred Dollars (\$400.00) if the affiliated licensee's insurance carrier did not back-date the licensee's E&O insurance policy to indicate continuous coverage.
- 2. If the principal broker's affiliated licensee reinstates his or her license, or the principal broker releases the affiliated licensee, more than one hundred twenty (120) days after suspension, the consent order referenced in this subparagraph (c) above shall contain a civil penalty of one thousand dollars (\$1,000.00).
- 3. Where a principal broker does not accept any authorized consent order for failure to supervise an affiliated licensee's E&O insurance, the hearing shall be held before an administrative law judge sitting alone, pursuant to the Uniform Administrative Procedures Act, compiled at title 4, chapter 5.
- 4. Nothing in this rule shall be construed as limiting the Commission's authority to:
 - (i) Authorize a consent order in a different amount than listed herein;
 - (ii) Seek any other legal discipline – including revocation or suspension of a license – for a failure to supervise an affiliated licensee's E&O insurance;
 - (iii) Review an initial order under the Uniform Administrative Procedures Act; or
 - (iv) Not seek discipline against a principal broker for failure to supervise an affiliated broker's maintenance of E&O insurance if the Commission determines that such discipline is not appropriate under the facts of that matter.

Authority: T.C.A. §§ 62-13-203, 62-13-112, and 62-13-312. **Administrative History:** Original rule filed February 7, 2014; effective May 8, 2014.

1260-01-.17 FINGERPRINTING.

- (1) Any initial applicant who is required to submit a complete and legible set of fingerprints for the purpose of obtaining a criminal background check pursuant to T.C.A. § 62-13-303 shall submit said fingerprints in an electronic format.
 - (a) An initial applicant shall be deemed to have supplied the required set of fingerprints if that applicant causes a private company contracted by the State to electronically transmit that applicant's classifiable prints directly to the TBI and FBI to forward an electronic report based on that applicant's fingerprints to the Commission.
 - (b) All sets of classifiable fingerprints required by this rule shall be furnished at the expense of the applicant.
 - (c) The applicant shall make the arrangements for the processing of his or her fingerprints with the company contracted by the State to provide electronic fingerprinting services directly and shall be responsible for the payment of any fees associated with processing of fingerprints to the respective agent authorized by the TBI and FBI.
 - (d) Applicants shall in all cases be responsible for paying application fees for licensure as established by the Commission.
 - (e) In addition to new applicants for a broker, affiliate broker, time-share salesperson, or acquisition agent license, the following are considered "initial applicants" for purposes of

(Rule 1260-01-.17, continued)

this rule and, therefore, are required to submit fingerprints in an electronic format for the purpose of obtaining a criminal background check:

1. Any former licensee who must reapply in order to obtain reissuance of his or her license; and
 2. Any person who previously held an affiliate broker license but no longer holds said license at the time such person applies for a broker license. This does not include any person who has an affiliate broker license which is inactive or retired at the time of application for a broker license.
- (2) In the event that an applicant furnishes unclassifiable fingerprints or fingerprints which are unclassifiable in nature, the Commission may refuse to issue the requested license.
- (a) For the purposes of this rule, "unclassifiable prints" means that the electronic scan or the print of the person's fingerprints cannot be read, and therefore cannot be used to identify the person.
 - (b) Should an applicant's fingerprints be rejected by the TBI or FBI, the applicant shall pay any fees assessed by the TBI or FBI for resubmission.

Authority: T.C.A. §§ 62-13-203 and 62-13-303. **Administrative History:** Original rule filed February 7, 2014; effective May 8, 2014.

1260-01-.18 DUPLICATE OR CONFUSINGLY SIMILAR FIRM NAMES.

- (1) In order to protect the public from confusion regarding licensed real estate firms, the Tennessee Real Estate Commission reserves the right to refuse to issue a new firm license in a name that is the same or confusingly similar to another firm already issued.
- (2) The Commission staff shall review all applications for a firm name to determine whether the name is the same or confusingly similar to the name of another firm licensed with the Commission. If a name is rejected, the applicant will be notified. If the applicant does not agree with the decision, he or she may appeal to the Executive Director. Upon notification of an appeal, the Executive Director will either approve or reject the name and notify the applicant.
- (3) The applicant may then appeal, in writing, the Executive Director's decision to the Commission. The Commission's decision will be final.
- (4) The Commission expects that the applicant has researched any legal restriction regarding the use of a proposed firm name. The Commission will not attempt to determine ownership, trademark, copyright, or the validity of any other legal means to protect a name.

Authority: T.C.A. § 62-13-203. **Administrative History:** Original rule filed July 20, 2015; effective October 18, 2015.

1260-01-.19 APPEARANCES BEFORE THE COMMISSION FOR THE PURPOSE OF OBTAINING A LICENSE.

Any applicant for licensure appearing before the Commission for the purpose of obtaining a license must also ensure the presence of his or her principal broker (or intended principal broker). No such appearance for the purpose of obtaining a license will be heard by the Commission without the presence of that principal broker.

(Rule 1260-01-.19, continued)

Authority: T.C.A. § 62-13-203. **Administrative History:** Original rule filed July 20, 2015; effective October 18, 2015.

1260-01-.20 MILITARY APPLICANTS.

- (1) An applicant for licensure meeting the requirements of T.C.A. § 4-3-1304(d)(1) may:
 - (a) Be issued a license upon application and payment of all fees required for the issuance of a regular license of the same type if, in the opinion of the Commission, the requirements for licensure of such other state are substantially equivalent to that required in Tennessee; or
 - (b) Be issued a temporary permit as described herein if the Commission determines that the applicant's license does not meet the requirements for substantial equivalency, but that the applicant could perform additional acts, including – but not limited to – education, training, or experience, in order to meet the requirements for the license to be substantially equivalent. In that case, the Commission may issue a temporary permit upon application and payment of all fees required for issuance of a regular license of the same type which shall allow such person to perform services as if fully licensed for a set period of time that is determined to be sufficient by the Commission for the applicant to complete such requirements.
 1. After completing those additional requirements and providing the Commission with sufficient proof thereof as may be required, a full license shall be issued to the applicant with an issuance date of the date of the original issuance of the temporary permit and an expiration date as if the full license had been issued at that time.
 2. A temporary permit shall be issued for a period that is less than the length of a renewal cycle for a full license.
 3. A temporary permit shall expire upon the date set by the Commission and shall not be subject to renewal except through the timely completion of the requirements for substantial equivalency as required by the Commission or by an extension of time granted for good cause by the Commission.
 4. Should an extension to a temporary permit cause the permit to be in effect longer than the renewal cycle of a full license, then the holder of the temporary permit shall file a renewal application with such documentation and fees, including completion of continuing education, as are required by the Commission for all other renewals of a full license of the same type.
- (2) Military education, training, or experience completed by a person described at T.C.A. § 4-3-1304(d)(1)(B)(ii)(a)-(c) shall be accepted toward the qualifications, in whole or in part, to receive any license issued by the Commission under the Division of Regulatory Boards if such military education, training or experience is determined by the Commission to be substantially equivalent to the education, training, or experience required for the issuance of such license.
- (3) Renewal:
 - (a) Any licensee who is a member of the national guard or a reserve component of the armed forces of the United States called to active duty whose license expires during the period of activation shall be eligible to be renewed upon the licensee being released from active duty without:
 1. Payment of late fees or other penalties;

(Rule 1260-01-.20, continued)

2. Obtaining continuing education credits when:
 - (i) Circumstances associated with the person's military duty prevented the obtaining of continuing education credits and a waiver request has been submitted to the Commission; or
 - (ii) The person performs the licensed occupation as part of such person's military duties and provides documentation sufficient to demonstrate such to the Commission.
3. Performing any other similar act typically required for the renewal of a license.
 - (b) The license shall be eligible for renewal pursuant to this paragraph for six (6) months from the person's release from active duty.
 - (c) Any person renewing under this paragraph shall provide the Commission such supporting documentation evidencing activation as may be required by the Commission prior to renewal of any license pursuant to this paragraph.

Authority: T.C.A. §§ 4-3-1304 and 62-13-203. **Administrative History:** Original rule filed July 20, 2015; effective October 18, 2015.

1260-01-.21 REINSTATEMENT OF AN EXPIRED LICENSE OF A BROKER, AFFILIATE BROKER, TIME-SHARE SALESPERSON, OR ACQUISITION AGENT.

- (1) Expired License Due to Health Issues or Medical Problems:
 - (a) If a licensee fails to renew a license within sixty (60) days after expiration of the license because of personal or family health issues, and, as a result, wishes to request a medical waiver from the Commission, that licensee must:
 1. Provide a signed doctor's statement attesting to the nature and length of the illness; and
 2. Submit a statement explaining the lapse, which must be signed by the person seeking reinstatement.
 - (b) If the Commission grants the medical waiver request, then renewal fees must be paid and all other conditions for licensure must be met, but late penalty fees will not be assessed.
 - (c) Information submitted will become public record unless otherwise prohibited by law.
- (2) Expired License due to Failure to Comply with Prerequisite to Licensure:
 - (a) **Renewal of License Within Sixty (60) Days of Expiration:** If a licensee fails to comply with any prerequisite or condition to licensure or renewal and/or fails to pay a renewal fee before the expiration of the license but provides proof of compliance with all prerequisites or conditions for licensure, including payment of renewal fee, within sixty (60) days after the expiration date of the license, that licensee shall only be required to pay a penalty fee of fifty dollars (\$50.00) per thirty (30) day period, or portion thereof, from the time the license expired without the requirement of any further obligations.
 - (b) **Reinstatement After Sixty (60) Days of Expiration:** If a licensee fails to timely pay a renewal fee or comply with any prerequisite or condition to licensure or renewal and/or

(Rule 1260-01-.21, continued)

fails to pay a renewal fee within sixty (60) days after the expiration date of the license, that licensee must sign a Reinstatement Order agreeing to comply with the following requirements and complete each of the following requirements in order to obtain license reinstatement:

1. Provide proof of compliance with all prerequisites or conditions for licensure, including payment of renewal fee; and
 2. Payment of Penalties in Accordance with the Following Schedule:
 - (i) For a license expired more than sixty (60) days, but within one hundred twenty (120) days, pay a penalty fee of fifty dollars (\$50.00) per thirty (30) day period, or portion thereof, from the time the license expired; or
 - (ii) For a license expired for more than one hundred twenty (120) days but within one (1) year, pay, in addition to the penalty fee described in subpart (i), a penalty fee of one hundred dollars (\$100.00) per thirty (30) day period, or portion thereof, beginning on the one hundred twenty first (121st) day; and
 3. Penalty fees will begin accruing on the first (1st) day following the license expiration date and will be assessed every thirty (30) days, or portion thereof, at the above rates. Penalty fees accrue until a Reinstatement Order is signed, proof of compliance with all prerequisites or conditions for licensure is received, and the renewal fee and all prescribed penalty fees are paid.
 4. A reinstated license will be issued back to the original expiry date upon satisfaction of all requirements.
- (3) License Expired for More than One (1) Year: if a license is expired for more than one (1) year, then that individual must reapply for licensure, meet current education requirements, and pass all required examinations.

Authority: T.C.A. §§ 62-13-203 and 62-13-319. **Administrative History:** Original rule filed July 20, 2015; effective October 18, 2015. Emergency rule filed September 12, 2016; effective through March 11, 2017. Amendments filed October 18, 2016; effective January 16, 2017.