



**TECHNICAL TIPS**  
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**WHAT'S NEW FROM THE REAL ESTATE COMMISSION - HOW IT WILL AFFECT OUR BUSINESS!**

Each year new state legislation and rules at the Colorado Real Estate Commission have direct impact on our business. The changes effective in 2006, fall into several different categories:

**SB100: HOMEOWNER'S ASSOCIATION LEGISLATION:**

This requires a new disclosure statement signed by the purchaser (CIC33-10-05) effective January 1, 2006 as part of a transaction file on any property that has a mandatory HOA. This form is a seller's responsibility, but is falling upon the listing broker. Security Title is operating a GOVERNING DOCUMENT ORDERING DESK within Security's Title department aiding in the acquisition of the governing documents (Declaration, Covenants, Bylaws, Rules & Regulations of the Association) as well as delivery of the signed disclosure to the homeowner's association following closing. It is recommended by the Colorado Real Estate Commission that the buyer give a notice of receipt of the documents no later than the title objection deadline and then sign the disclosure after reading and understanding, but no later than the date of closing.

**Rule E-14: RECOMMENDATION TO BUYER THAT LEGAL COUNSEL REVIEW TITLE—TRACKING DELIVERY OF TITLE POLICY (Following Closing):**

Brokers must be aware that it is their responsibility to recommend that buyers have an attorney review the title insurance commitment with special attention to Schedule B-2 exceptions. This is the area involving standard coverage or Owner's Extended Coverage. This document has serious legal consequences—WE ARE NOT ATTORNEYS. In addition, per the contract it is the broker's responsibility to help the parties to the contract fulfill and complete all sections—thus tracking delivery of the title insurance policy after closing. Security Title is helping brokers in this tracking by notifying the broker on the buyer's side of delivery of the title policy so that the broker can follow up with the buyers.

**ANNIVERSARY DATE LICENSE RENEWAL:**

There has been confusion regarding which anniversary date was being used by the Colorado Real Estate Commission. The date being used is the anniversary date of the broker's license. Many brokers received their broker's license through the process of "transition" with their date of licensing being January 2000. They will then renew each January. The process of getting all brokers on their anniversary date began with renewals in 2005 and will continue in 2006 and 2007. Licenses will therefore be 2 years + "X" months (to get to the anniversary of the broker's license).

**FINGERPRINTING:**

It is recommended that fingerprints are done digitally, since many of the fingerprints taken in 2005 were not acceptable and had to be redone. It is also being recommended by the Commission that those renewing in 2006 begin early with their background check and fingerprints. Unlike last year, in 2006 and 2007 THERE WILL BE NO GRACE PERIOD!! NO FINGERPRINTS AND NO BACKGROUND CHECK—NO LICENSE.

**CONTINUING EDUCATION:**

Beginning January of 2006 the CREC mandatory update course will be 4 hours. Each licensee will be required to take 1 course each year for two years for a total of 8 hours of credit. In addition, the licensee will have to take 16 hours of continuing education electives. The licensee will have the entire 2 years plus "X" months to complete the elective credits (from time of renewal).

Once through the renewal process of 2005, 2006 and 2007 all licensees should be on the anniversary date of their renewal—after 2007 all licensees shall again have a license for 3 years.

**Security Title offers many classes which qualify for elective credit, and the Real Estate Commission of Colorado has in the past approved Security Title's materials. Please be careful when selecting elective credit classes as the Commission does not preapprove elective classes any longer and you want your elective classes to be in areas of study which the Commission will accept when your renewal occurs. Check with a Security Title representative for classes to fulfill your elective credit requirements.**

Please note—all licensees, active or inactive, must complete the renewal process. If they choose to put their license on inactive status they would still complete the renewal process.

For further clarification of continuing education requirements—please contact a Security Title representative. They will have complete information regarding continuing education and mandatory CREC classes.

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