

**DEPARTMENT OF REGULATORY AGENCIES  
DIVISION OF REAL ESTATE  
REAL ESTATE COMMISSION  
4 CCR 725-1**

**NOTICE OF PROPOSED PERMANENT RULEMAKING HEARING  
February 6, 2024, at 9:00 AM MST**

**Division of Real Estate Office  
1560 Broadway  
Denver, CO 80202**

**VIRTUAL MEETING REGISTRATION LINK:**

[https://us06web.zoom.us/webinar/register/WN\\_JMH1AuJsSfe7my9LXTrLcQ#/registration](https://us06web.zoom.us/webinar/register/WN_JMH1AuJsSfe7my9LXTrLcQ#/registration)

Pursuant to and in compliance with Title 12, Article 10 and Title 24, Article 4, C.R.S., as amended, notice of proposed rulemaking is hereby given, including notice to the Attorney General of the State of Colorado and to all persons who have requested to be advised of the intention of the Colorado Real Estate Commission (the "Commission") to promulgate rules, or to amend, repeal, or repeal and re-enact the present rules of the Commission.

The hearing will be conducted only in a virtual setting. All interested parties are urged to attend this public hearing by registering for the webinar on the Division's website at [www.dre.colorado.gov](http://www.dre.colorado.gov) and to submit written comments concerning the proposed amended rules in advance, if possible, for consideration.

To facilitate the review of comments by the Commission, all interested parties are strongly encouraged to submit their written comments to Melissa Phipps via email at [melissa.phipps@state.co.us](mailto:melissa.phipps@state.co.us) on or before 5:00 p.m. on January 22, 2024. Any written comments not received by this date may be submitted via public testimony at the hearing on February 6, 2024.

**STATEMENT OF BASIS**

The statutory basis for the rules titled Rules of the Colorado Real Estate Commission is Parts 1-4 of Title 12, Article 10, Colorado Revised Statutes, as amended.

**STATEMENT OF PURPOSE**

The purpose of the rules is to effectuate the legislative directive to promulgate the necessary and appropriate rules in conformity with the state statutes of the real estate practice act.

**SPECIFIC PURPOSE OF RULEMAKING**

The specific purpose of this rulemaking is to modify the administrative rules regarding definitions, Commission-approved forms, continuing education requirements, and requirements regarding the use and handling of trust or escrow accounts, security deposits, and rental proceeds. This rulemaking also modifies existing requirements regarding the disclosure of confidential information, the accuracy of electronic media and advertising, sign crossing, and property access. Furthermore, this rulemaking clarifies the filing and service requirements related to the Commission's review of initial decisions and exceptions. This rulemaking also establishes additional requirements for implementation of a data security policy, use of mark-ups, and the use of non-Commission approved Contracts to Buy and Sell. Finally, a specific purpose of this rulemaking is to comply with H.R. 7939, which allows for license portability for members of the military and their spouses. The proposed new rule establishes requirements to practice under the federal law in Colorado. Please be advised that the proposed amended rules being considered are subject to further changes and modifications after public comment and the formal hearing.

## PROPOSED NEW, AMENDED AND REPEALED RULES

Deleted material shown ~~struck through~~; new material is indicated by underline. Readers are advised to obtain a copy of the complete rules of the Commission at [www.dre.colorado.gov](http://www.dre.colorado.gov).

### Chapter 1: Definitions

- 1.7. Broker: Any person licensed by the Commission to perform Real Estate Brokerage Services regardless of if the Broker is licensed as an Associate Broker, Independent Broker, or Employing Broker.
- 1.13 ~~Conflict of Interest: When a broker has a real or apparent competing professional or personal interest which may influence their actions in the performance of their Real Estate Brokerage Services, including, but not limited to, hindering their ability to fulfill duties on behalf of their client.~~
- ~~1.13~~14. Consumer: A member of the public that has sought or is seeking to engage Real Estate Brokerage Services provided by a Broker. A Consumer is a buyer, seller, tenant, or landlord, as applicable.
- ~~1.14~~15. Customer: Has the same meaning pursuant to section 12-10-402(2), C.R.S.
- ~~1.15~~16. Deemed Complete: An Applicant has submitted a complete and satisfactory application in compliance with sections 12-10-202 and 12-10-203, C.R.S. that includes the Fee and the accompanying required documentation as set forth in Chapters 2 and 3 of these Rules.
- ~~1.16~~17. Designated Broker: Has the same meaning pursuant to section 12-10-402(3), C.R.S.
- ~~1.17~~18. Director: The Director of the Division as defined pursuant to section 12-10-101(1), C.R.S.
- ~~1.18~~19. Distance Learning: Any education process based on the geographical separation of student and instructor. Components of distance education include Synchronous, Asynchronous, and Hybrid. ~~Education courses offered outside the traditional classroom setting in which the instructor and learner are separated by distance and/or time.~~
- ~~1.19~~20. Division: The Division of Real Estate as defined pursuant to section 12-10-101(2), C.R.S.
- ~~1.20~~21. Duplicate: A legible photocopy, carbon copy, facsimile, or electronic copies which contain a digital or electronic signature as defined pursuant to section 24-71-101(1), C.R.S.
- ~~1.21~~22. Electronic Media: The method of communicating information that are in an electronic format rather than a paper format. Electronic Media may include, but is not limited to, websites, electronic mailings, social Media-media such as Twitter and Facebook, banner advertisements, virtual tours, and YouTube.
- ~~1.22~~23. Electronic Record: A record generated, communicated, received, or stored by electronic means as defined to pursuant to section 24-71.3-102(7), C.R.S.
- ~~1.23~~24. Employing Broker: Has the same meaning pursuant to section 12-10-201(2), C.R.S.
- ~~1.24~~25. Expired: A License that was not renewed prior to the last day of the license cycle and is no longer valid for a person or entity to perform any Real Estate Brokerage Services. Such persons cannot hold themselves out to the public as Brokers and such entities cannot Advertise as Brokerage Firms.

- 1.2526. Fee: The prescribed non-refundable fee as set by the Division.
- 1.2627. Initial License or Initial Licensure: The first license granted by the Commission to an Applicant pursuant to sections 12-10-202 and 12-10-203, C.R.S.
- 1.2728. Inactive: A Broker who holds a valid License shown in the Commission's records as being Inactive is not permitted to engage in Real Estate Brokerage Services. To maintain licensure on Inactive status, a Broker must ~~still~~ continue to renew their License as set forth in Chapter 3 of these Rules.
- 1.2829. Independent Broker: A Broker either holding an Independent Broker level license or Employing Broker level license acting as their own Brokerage Firm or sole proprietor and not employing or supervising any Associate Brokers.
- 1.2930. Invalid Payment: If the Fees accompanying any application including Fees for the recovery fund, renewals and transfers made to the Division are paid for by check and the check is not immediately paid upon presentment to the bank upon which the check was drawn, or if payment is submitted in any other manner, and payment is denied, rescinded or returned as invalid, the application will be immediately canceled. The application will only be reinstated if the Division has received valid payment of all application Fees together with any fees incurred by the Division including the fee required by state fiscal rules for clerical services necessary for reinstatement.
- 1.3031. Jurisdiction: For purposes of Chapter 2 of these Rules, all 50 states, the District of Columbia, Guam, Puerto Rico, and the U.S. Virgin Islands.
- 1.3132. License: A Broker's or Brokerage Firm's license issued by the Commission pursuant to section 12-10-203, C.R.S.
- 1.3233. Listing Contract: An agreement between a Brokerage Firm and a Consumer in which a Broker licensed with the Brokerage Firm is designated to provide Real Estate Brokerage Services to the Consumer. Listing Agreements include: Exclusive Tenant Contract, Exclusive Right to Sell, Exclusive Right to Lease, Exclusive Right to Buy, and Management Agreements.
- 1.3334. Management Agreement: An agreement between a Brokerage Firm and an owner of a property in which a Broker licensed with the Brokerage Firm is designated to provide Property Management Services on behalf of the owner.
- 1.3435. Money Belonging to Others: Money Belonging to Others which is accepted by the Broker or Brokerage Firm for deposit in the Broker's or Brokerage Firm's Trust or Escrow Account that includes, but is not limited to, money received in connection with Management Agreements, partnerships, limited liability companies, syndications, lease agreements, advance fee contracts, guest deposits for short term rentals, rental receipts, security deposits, earnest money deposits, or Money Belonging to Others received for any other purpose.
- 1.3536. New Associate Broker: An Associate Broker with less than two (2) years of accumulative Active experience.
- 1.3637. Office Policy Manual: The Manual required for all Employing Brokers or the Employing Broker's Brokerage Firm, which contains certain policies and procedures.
- 1.38 Personal Identifying Information: as defined in section 6-1-713(2)(b), C.R.S.: a social security number; a personal identification number; a password; a pass code; an official state or government-issued driver's license or identification card number; a government passport number; biometric data, as defined in section 6-1-716(1)(a), C.R.S.; an employer, student, or military identification number; or a financial transaction device, as defined in section 18-5-701(3), C.R.S.

- 1.3739. Petitioner: For the purposes of implementing the provisions of Chapter 8 of these Rules, any person who has filed with the Commission a petition or has been granted leave to intervene by the Commission for a declaratory order pursuant to section 24-4-105(11), C.R.S. and as set forth in Chapter 8 of these Rules.
- 1.4038. Property Management: An on-going relationship between a Brokerage Firm and an owner of a property in which the Brokerage Firm is designated to provide Property Management Services.
- 1.3941. Property Management Services: The activities performed in leasing and subsequent management of a property on behalf of an owner that are pursuant to section 12-10-201(6), C.R.S. and further described in the Management Agreement.
- 1.4042. Real Estate Brokerage Services: Any of the activities pursuant to section 12-10-201(6)(a), C.R.S. when performed on behalf of a Consumer.
- 1.4143. Real Estate Licensing Examination: An examination that consists of two (2) parts; a national part and a Colorado part as set forth in Rule 2.2.
- 1.4244. Real Estate School: Has the same meaning pursuant to section 23-64-103(20), C.R.S.
- 1.4345. RESPA – The Real Estate Settlement Procedures Act of 1974, set forth in 12 U.S.C. 2601, et. seq. (Act), effective June 1, 2018, incorporated by reference in compliance with section 24-4-103(12.5), C.R.S. and does not include any later amendments or editions to the Act. A certified copy of the Act is readily available for public inspection at the Office of the Colorado Real Estate Commission at 1560 Broadway, Suite 925, Denver, Colorado. The Act may also be examined at the internet website of the Consumer Bureau of Financial Protection (CFPB) at [www.consumerfinance.gov](http://www.consumerfinance.gov). The CFPB may also be contacted at 1700 G. Street, NW, Washington, D.C. 20552 or by telephone at (202) 435-7000.
- 1.4446. Recognized Depository: Any bank, savings and loan association, or credit union that accepts deposits or shares insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration (NCUA) respectively.
- 1.4547. Reinstatement or Reinstating or Reinstated: Has the same meaning pursuant to section 12-10-212(4)(a)(III), C.R.S.
- 1.48 Safe and Secure Manner: Reasonable measures are taken to minimize the risk of loss, damage, or theft of electronic information and documents, including, but not limited to, Personal Identifying Information.
- 1.4649. Single Agent: Has the same meaning pursuant to section 12-10-402(6), C.R.S.
- 1.4750. Standard Form: Has the meaning pursuant to section 12-10-403(4), C.R.S. and also as set forth in Rule 7.1.
- 1.4851. Supervisory Broker: A Broker, such as a managing broker, team lead, office manager, etc., who has been delegated in writing by an Employing Broker to assume some of the Employing Broker's duties and responsibilities as set forth in Rule 6.3.
- 1.4952. Team: Two (2) or more Brokers within a Brokerage Firm that cooperate on an on-going basis to conduct a substantial portion of their Real Estate Brokerage Services together.
- 1.5053. Temporary License: Has the same meaning pursuant to section 12-10-203(6)(c), C.R.S.

- 1.5154. Things of Value: Monetary considerations as well as the exchange of tangible, non-monetary assets.
- 1.5255. Trademark: Any logo, service mark, or other identifying mark used in conjunction with a Brokerage Firm's legal name or Trade Name. Trademarks may be registered with the Colorado Secretary of State pursuant to section 7-70-102, C.R.S. As an example, the brokerage "A Better Choice Real Estate" uses a logo bearing the initials "ABC". The logo is used to identify the Brokerage Firm and the Real Estate Brokerage Services that it provides to Consumers; therefore, it would be the trademark for the Brokerage Firm.
- 1.5356. Trade Name: The name under which a Brokerage Firm does business other than the Brokerage Firm's legal name. Any Trade Name used by a Brokerage Firm must be on file with the Commission and must be filed with the Colorado Secretary of State pursuant to section 7-71-101, C.R.S. For example, a Brokerage Firm is licensed with the Commission under its legal name of "Colorado Real Estate Group LLC". However, the Brokerage is also a franchise of "International Realty" and does business under the Trade Name "International Realty of Colorado".
- 1.5457. Transaction-Broker: Has the same meaning pursuant to section 12-10-402(8), C.R.S.
- 1.5558. Transition Period: The two-year licensing period plus a partial year commencing on the anniversary date when a Broker's license expires in the years of 2018, 2019, or 2020 and expiring two (2) years plus the remaining days in the third year to reach December 31. The length of the Transition Period is dependent on the anniversary date and could be as long as three (3) years or as short as two (2) years and one day.
- 1.5659. Trust or Escrow Account: Any checking, demand, passbook or statement account, which has, at a minimum, the following elements:
- A. The account is separate and contains only Money Belonging to Others;
  - B. The account is custodial and fiduciary;
  - C. All funds are available on demand; and
  - D. The account is held with a Recognized Depository.
- 1.5760. Trust or Escrow Accounting Equation: The reconciled trust or escrow bank account cash balance must equal the sum total of the individual ledger balance for each owner at any given point in time.
- 1.5861. Unlicensed On-Site Manager: An unlicensed person who fills in blanks, as a scrivener, on lease forms, shows prospective tenants available units, quotes rental prices established by the owner or Broker, arranges for maintenance, and collects monies, including security deposits and rents. A Brokerage Firm which employs an Unlicensed On-Site Manager must do so either as a regularly salaried employee or as an independent contractor, and pay the Unlicensed On-Site Manager through the Brokerage Firm. The salary may include rent value or other non-commission income.
- 1.5962. Viewable Page: A page that may or may not scroll beyond the border of the screen and includes the use of frame pages.

## CHAPTER 2: LICENSURE REQUIREMENTS

### 2.9. Broker Qualifications for Sole Proprietors

- A. The Broker must have either an Independent Broker or Employing Broker level license.
- B. A Broker licensed as a sole proprietorship must not adopt a trade name, which includes the following words: corporation, partnership, limited liability company, limited, incorporated, or the abbreviations thereof.
- C. A Broker licensed as a sole proprietorship or as a sole proprietorship doing business under a trade name must be the sole owner of the Brokerage Firm. Otherwise, the Brokerage Firm will be considered as a partnership and the partnership must apply for a Broker's License pursuant to section 12-10-203(6), C.R.S. and as set forth in Rule 2.10.

#### 2.11. Portability of Professional Licenses of Servicemembers and their Spouses

When a servicemember or spouse relocates their residency to Colorado because of military orders for military service, and the servicemember or spouse possesses a valid Broker's license, or its equivalent, issued by another Jurisdiction, the Commission will grant the servicemember or spouse the authority to practice in Colorado conditional on the following terms being met:

- A. The Commission must receive a copy of the military orders indicating that the new residency will be in Colorado;
- B. The servicemember or spouse must remain in good standing with the licensing authority that issued the Broker's license, or equivalent;
- C. The servicemember or spouse must have been actively licensed during the two years immediately preceding the relocation to Colorado; and
- D. The servicemember or spouse must submit to the authority of the Commission for purposes of standards of practice, disciplinary procedures, and fulfillment of any continuing education requirements.

The ability to practice in Colorado will be at the Associate Broker or Independent Broker license level and is valid only as long as the military orders are in effect.

#### CHAPTER 4: CONTINUING EDUCATION REQUIREMENT

##### 4.4. Standards for Continuing Education Courses

Courses approved for continuing education must meet the following standards:

- A. Course Content
  - 1. The course content must have been developed by persons qualified in the subject matter;
  - 2. The content of the course must be current;
  - 3. The course must maintain and improve a Broker's skill, knowledge, and competency in the real estate practice; and
  - 4. The course must be at least one (1) hour increment in length, containing at least fifty (50) instructional minutes per one (1) hour increment.
- B. Topics for Continuing Education Courses

1. Eligible Topics for Continuing Education Courses

Pursuant to section 12-10-213(3), C.R.S., courses approved for continuing education must include one (1) or more of the following topics:

- a. Real Estate Law;
- b. Property Exchanges;
- c. Real Estate Contracts;
- d. Real Estate Finance;
- e. Real Estate Appraisal;
- f. Real Estate Closing;
- g. Real Estate Ethics;
- h. Condominiums and Cooperatives;
- i. Real Estate Time-Sharing;
- j. Real Estate Marketing Principles;
- k. Real Estate Construction;
- l. Land Development;
- m. Real Estate Energy Concerns;
- n. Real Estate Geology;
- o. Water and Waste Management;
- p. Commercial Real Estate;
- q. Real Estate Securities and Syndications;
- r. Property Management;
- s. Real Estate Computer Principles;
- t. Brokerage Administration and Management;
- u. Agency; and
- v. Any other subject matter as approved by the Commission.

2. Ineligible Topics for Continuing Education Courses

The following types of courses will not qualify and will not be approved for continuing education:

- a. Sales or marketing meetings conducted in the general course of a real estate brokerage practice;
- b. Orientation, personal growth, self-improvement, self-promotion, or marketing sessions;
- c. Motivational meetings or seminars; or
- d. Examination preparation or exam technique courses.

C. Course Format

All continuing education courses may be offered and completed by classroom or Distance Learning.

4.5. Continuing Education Credit Requirements

- A. A maximum of eight (8) hours of credit may be earned per day.
- B. No course may be repeated for credit in the same calendar year.
- C. Hours in excess of twenty-four (24) in a given licensing cycle may not be carried forward to satisfy the continuing education requirements of a subsequent licensing cycle.
- D. Education stipulated to between a Broker and the Commission as part of a disciplinary action or alternative to disciplinary action will not be accepted to fulfill a Broker's continuing education requirement.
- E. All continuing education must be taken from course providers either approved by the Commission or exempt as set forth in Rule 4.6.A.2.
- F. Brokers must complete an entire course to receive any continuing education credit. Brokers will not be awarded partial credit for partial or incomplete attendance.
- G. Instructors may receive continuing education credit for teaching an approved course; however, credit will be awarded for only one (1) course taught per calendar year.
- H. The Commission will award two (2) hours of continuing education credit for Brokers who attend a Commission's public meeting ~~in person~~ under the following conditions:
  - 1. The meeting must be open to the public and must be a minimum of two (2) hours in length;
  - 2. The Broker must be present for at least a two (2) hour segment of the meeting to be eligible for elective credit; and
  - 3. Elective credit will be awarded for a single Commission meeting per calendar year.
- I. Each Broker is responsible for securing from the course provider proof of course completion in the form of an affidavit, certificate, or official transcript of the course as set forth in Rule 4.7.A.



- J. Brokers must retain proof of continuing education completion certificates for four (4) years from the date of the Broker's most current renewal or, if newly licensed, from Initial Licensure.
- K. The act of submitting an application for renewal, activation, or Reinstatement of a License means that the Broker attests to compliance with the continuing education requirement pursuant to section 12-10-213, C.R.S. However, if a Broker did not comply with the continuing education requirement, the Broker must provide written notification to the Division prior to submitting an application for renewal, activation, or Reinstatement of a License.
- L. Upon written notification from the Commission, Brokers must provide proof of completion of the continuing education requirement in a manner that is acceptable to the Commission. Failure to provide said proof within the prescribed time set by the Commission in its notification will be grounds for disciplinary action unless the Commission has granted an extension.

#### 4.6. Process for Course Approval

##### A. Course Providers

Continuing education must be taken from course providers either approved by the Commission or course providers which are exempt as set forth in subsection A.2. of this Rule.

##### 1. Approval of Course Providers

All course providers must receive approval from the Commission prior to any course offering except for the course providers specifically exempted as set forth in subsection A.2. of this Rule.

##### 2. Course Providers Exempt from Commission Approval

The following course providers may provide course offerings for elective continuing education credit without Commission pre-approval only if the courses are within the topic areas pursuant to section 12-10-213(3), C.R.S. and as set forth in Rule 4.4.B.1. and comply with all other provisions of Chapter 4 of these Rules.

- a. Courses offered by accredited colleges, universities, community or junior colleges, public or parochial schools, or government agencies.
  - b. Courses developed and offered by quasi-governmental agencies.
  - c. Courses approved by and taken in satisfaction of another occupational licensing authority's education requirements.
  - d. Courses in real property law by a provider approved by the Colorado Board of Continuing Legal and Judicial Education.
- B. Course providers must, as set forth in Chapter 4 of these Rules, submit an application form prescribed by the Commission, along with the following information at least thirty (30) days prior to the initial proposed course date(s):

1. Detailed course outline or syllabus, including the intended learning outcomes, the course objectives, and the approximate time allocated for each topic.
2. A copy of the course exam(s) and instructor answer sheet, if applicable.
3. Copy of the instructor's teaching credential; if none, a resume showing education and experience which evidence a mastery of the material to be presented.
4. Upon Commission request, a copy of any advertising or promotional material used to announce the offering.
5. Upon Commission request, a copy of any textbook, manual, audio or videotapes, or other instructional material.
6. Course providers of continuing education offered through Distance Learning must submit evidence in a form prescribed by the Commission that the method of delivery and course structure is consistent with acceptable educational principles assuring that the desired learning objectives are met. The Commission will approve methods of delivery certified by the Association of Real Estate License Law Officials (ARELLO), or by a substantially equivalent authority and method.
7. ~~Course approval certification will be for a period of three (3) years, except that an annual or one-time seminar or conference offering may be approved for a specific date or dates. [REPEALED]~~

C. Course approval certification will be for a period of three (3) years, except that an annual, or otherwise periodic, or one-time seminar or conference offering may be approved for a shorter period of time to ensure the content of the course is current, as set forth in Rule 4.4.A.2.

#### 4.7. Course Provider Requirements

- A. Course providers must provide to each student who successfully completes an approved course for continuing education credit with an affidavit, certificate, or official transcript, which must include the following information:
  1. Name of the course provider;
  2. Course title, which must describe the topical content;
  3. ~~Course number; [REPEALED]~~
  4. Number of continuing education hours/credits;
  5. Course date(s);
  6. Name of the student;
  7. Authentication by the course provider; and
  8. Course approval number as issued by the Division, if applicable.
- B. A course provider may not waive, excuse completion of, or award partial credit for the full number of course hours.

- C. Each course provider must retain copies of course outlines or syllabi and complete records of attendance for a period of four (4) years from the date of the course and provide the records to the Commission upon request.
- D. By offering continuing education, each course provider agrees to comply with relevant Commission statutes and these Rules and to permit Commission audit of said courses at any time and at no cost. Failure to comply with the standards and requirements as set forth in Chapter 4 of these Rules may result in the invalidation of the course provider, instructor, and/or the course.

## CHAPTER 5: SEPARATE ACCOUNTS AND ACCOUNTING

### 5.2. Trust or Escrow Accounts

All Money Belonging to Others accepted by a Broker or Brokerage Firm must be kept separate from other money belonging to the Broker or Brokerage Firm and must be deposited for deposit into one or more of the Broker's or Brokerage Firm's Trust or Escrow Accounts. must be deposited in one or more accounts separate from other money belonging to the Broker or Brokerage Firm. The Broker or Brokerage Firm must identify the fiduciary nature of each separate Trust or Escrow Account in deposit agreements with a Recognized Depository by the use of the word "trust" or "escrow" and a label identifying the purpose of such account, such as "sales escrow", "rental escrow", "security deposit escrow", or other abbreviated form defined in the deposit agreement. The Broker or Brokerage Firm must retain a copy of each executed Trust or Escrow Account deposit agreement for inspection by the Commission.

### 5.8. Transfer of Security Deposits

#### A. Owner-Held

A Brokerage Firm receipting for security deposits will not deliver such security deposits to an owner without the tenant's written authorization in a lease or unless written notice has been given to the tenant. Such notice must be given in a manner so the tenant will know who is holding the security deposit and the specific requirements for the procedure in which the tenant may request return of the security deposit. If a security deposit is delivered to the owner, the Management Agreement should place financial responsibility on the owner for its return, and in the event of a dispute over ownership of the security deposit, must authorize disclosure to the tenant of the owner's true name and current mailing address.

#### B. New Property Management Company

A Brokerage Firm which begins management of a property most recently managed by another Brokerage Firm must disclose to the owner and the current tenant, in writing, and within thirty (30) days after execution or assignment of a Management Agreement, the status of any security deposit held by the previous Brokerage Firm, including the amount of the security deposit and confirmation of receipt of the funds. The transfer of the security deposit must occur within sixty (60) days after the execution or assignment of a management agreement to the new brokerage firm. The Brokerage Firm must verify that each security deposit transferred to them matches the amount listed in the current lease and disclose any discrepancy to the owner and current tenant. The Brokerage Firm must inform the tenant, in writing, if the owner is holding the security deposit.

### 5.10. Commingling Prohibited

A Broker's or Brokerage Firm's personal or business operating funds must not be commingled with Money Belonging to Others. One or more separate Trust or Escrow Accounts may be maintained by a Brokerage Firm pursuant to the following duties and limitations:

- A. Money held in a Trust or Escrow Account which becomes due and payable to the Brokerage Firm must be withdrawn monthly.
- B. Money advanced by a Brokerage Firm for the benefit of another may be placed in the Trust or Escrow Account and identified as an advance but may be withdrawn by the Brokerage Firm only on behalf of such person. Any amount advanced to a Trust or Escrow Account must be identified and recorded in the journal and the ledger and disclosed in accounting to the beneficiary as set forth in Rule 5.15.
- C. In the absence of a specific written agreement to the contrary, commissions, fees, and other charges collected by a Brokerage Firm for performing any service on behalf of another are considered "earned" and available for use by the Brokerage Firm only after all contracted services have been performed and there is no remaining right of recall by others for such money. The Brokerage Firm must identify and record all commissions, fees, or other charges withdrawn from a Trust or Escrow Account on the account journal and individual ledgers of those against whom the fees or commissions are charged. If a single disbursement of fees or commissions includes more than one (1) transaction, rental period or occupancy or includes withdrawals from the account of more than one (1) Trust or Escrow Account beneficiary, the Brokerage Firm, upon request, must produce for inspection by the Commission a schedule which details:
  - 1. The individual components of all amounts included in the sum of such disbursement; and
  - 2. Specifically identifies the affected beneficiary or property ledgers as set forth in Rule 5.14.B.
- D. Rental proceeds received ~~by a Broker for managing a Broker's own properties property through the Broker's a Brokerage Firm with which the Broker is not licensed ,including any Broker's properties held in partnership with others, joint ventures, or syndications provided the Broker's ownership in the entity or property is more than the 20% threshold pursuant to section 12-10-201(6)(b)(VII), C.R.S.~~ must be deposited in an account a Trust or Escrow Account that is separate from any other Trust or Escrow Accounts maintained for Money Belonging to Others. A Broker's property includes any Broker's properties held in partnership with others, joint ventures, or syndications provided the Broker's ownership in the entity or property is more than the 20% threshold pursuant to section 12-10-201(6)(b)(VII), C.R.S. Such funds are ~~not~~ subject to Trust or Escrow Accounts and record keeping requirements as set forth in Rules 5.2. and 5.14.
- E. Rental proceeds received by a Broker for managing properties through the Broker's Brokerage Firm that are owned by a Broker that is licensed with the Broker's Brokerage Firm must be deposited into one or more Trust or Escrow Accounts that are separate from any other Trust or Escrow Accounts containing Money Belonging to Others. A property owned by a Broker includes any Broker's properties held in partnership with others, joint ventures, or syndications, provided the Broker's ownership in the entity or property is more than the 20% threshold pursuant to section 12-10-201(6)(b)(VII), C.R.S. Such rental proceeds are subject to Trust or Escrow Accounts and record keeping requirements as set forth in Rule 5.2 and 5.14.

Pursuant to sections 12-10-217(1)(d) and (t) and 6-1-105, C.R.S., the Broker and Brokerage Firm must obtain prior written consent from the ~~owner~~ Consumer they represent to assess and receive mark-ups and/or other compensation for services performed, regardless if for the benefit of the Broker or another third party. The Broker and Brokerage Firm must also disclose all mark-ups and/or other compensation for services performed that are paid for by any Customer. The Broker and Brokerage Firm must retain accurate on-going records, which verify disclosure and consent and which fully account for the amounts or percentages of compensation assessed or received.

## CHAPTER 6: PRACTICE STANDARDS

### 6.3. Employing Broker's Responsibilities and Supervision

#### A. Employing Broker Exercises Authority, Direction, and Supervision

1. Employing Brokers must exercise authority, direction, and supervision over any Associate Brokers shown in the records of the Commission as supervised by the Employing Broker to ensure conformance to the Commission statutes and these Rules in the performance of the Associate Broker's activities pursuant to sections 12-10-203(5)(c)(I), 12-10-217(1)(r), and 12-10-222, C.R.S., and these Rules. Whenever a complaint is filed with the Commission against an Associate Broker, the Commission may investigate whether there have been violations of section 12-10-217(1)(r), C.R.S. by the Employing Broker.
2. Employing Brokers must also supervise, pursuant to section 12-10-222, C.R.S., all unlicensed employees, including, but not limited to, Unlicensed On-Site Managers, secretaries, bookkeepers, and personal assistants of Associate Brokers.

#### B. Employing Broker's Responsibilities

Employing Brokers must:

1. Maintain all Trust and Escrow Accounts and records as set forth in Chapter 5 of these Rules;
2. Maintain all transaction records as set forth in Rule 6.20.;
3. Develop the Brokerage Firm's written policies as set forth in Rule 6.4.;
4. Provide for a "Reasonable-Level of Supervision" for all Associate Brokers as set forth in subsection C. of this Rule;
5. Provide for a "High-Level of Supervision" for New Associate Brokers as set forth in subsection D. of this Rule;
6. Take reasonable steps to ensure that violations of statutes, rules, and office policies do not occur or reoccur; and
7. Provide for adequate supervision of all branches or offices operated by the Employing Broker.

#### C. "Reasonable-Level of Supervision" by Employing Brokers

Pursuant to section 12-10-217(1)(r), C.R.S., Employing Brokers are required to provide all Associate Brokers with a "Reasonable-Level of Supervision," which includes:

1. Maintaining a written Office Policy Manual as set forth in Rule 6.4.B., which must:
  - a. Be given to and signed by each Associate Broker; and
  - b. Be available for inspection, upon request, by any authorized representative of the Commission.
2. Ensuring all executed contracts are reviewed to maintain assurance of competent preparation. If the Employing Broker has concerns about the preparation of a contract, Employing Broker should contact the Associate Broker.
3. Ensuring all transaction files are reviewed for the required documents. If required documents are not present, the Employing Broker should contact the Associate Broker.

D. "High-Level of Supervision" by Employing Brokers

In addition to the requirements of subsection C. of this Rule and pursuant to section 12-10-203(5)(c)(l), C.R.S., an Employing Broker must provide a "High-Level of Supervision" for New Associate Brokers. "High-Level of Supervision" includes:

1. Providing specific training in office policies and procedures;
2. Being reasonably available for consultation;
3. Providing assistance in preparing contracts;
4. Monitoring transactions from contracting to closing;
5. Reviewing documents in preparation for closing; and
6. Ensuring that the Employing Broker or an experienced Associate Broker with more than two (2) years' Active licensure attends closings with a New Associate Broker or is available for assistance.

E. Supervision of Unlicensed On-Site Manager

Employing Brokers must:

1. Actively and diligently supervise all activities of any Unlicensed On-Site Manager or delegate supervisory authority as set forth in subsection F. of this Rule;
2. Require the Unlicensed On-Site Manager to report directly to either the Employing Broker or a Supervisory Broker;
3. Require the Unlicensed On-Site Manager to account for and remit all monies, including rents and security deposits, collected on behalf of the Employing Broker or owner to the Employing Broker or Supervisory Broker;
4. Ensure that property maintenance scheduled by the Unlicensed On-Site Manager is performed in accordance with the Property Management Agreement; and
5. Instruct the Unlicensed On-Site Manager not to negotiate any of the material terms of a lease or rental agreement with a Consumer.

F. Delegation of Supervision

Employing Brokers may delegate supervisory authority to other experienced Associate Brokers for both “Reasonable-Level of Supervision” and “High-Level of Supervision” as follows:

1. Supervisory Brokers must bear responsibility along with the Employing Broker for ensuring compliance with the Commission statutes and these Rules for those persons the delegated Associate Broker is supervising.
2. Any delegation of authority must be in writing and signed by the Supervisory Broker. A copy of such delegation must be maintained by the Employing Broker for inspection, upon request, by any authorized Commission representative.
3. The Supervisory Broker must have competency as set forth in Rule 6.2. in the area of practice in which the Supervisory Broker is supervising.
4. An Employing Broker must not contract with any Associate Broker so as to circumvent the requirement that the Employing Broker supervise Associate Brokers. While an Employing Broker may delegate supervision duties, the Employing Broker is still ultimately responsible for the supervision provided.

G. Confidential Information Revealed to Employing Broker or Supervisory Broker

Associate Brokers may reveal to an Employing Broker or a Supervisory Broker confidential information about the Associate Broker’s client. Associate Brokers’ disclosure of such confidential information does not change or extend the Brokerage Relationship beyond the Associate Broker. However, such disclosure is not permitted when the Brokerage is engaged in dual representation in a transaction. Confidential information includes the information pursuant to sections 12-10-404(2), 12-10-405(2) and 12-10-407(3), C.R.S.

6.4. Brokerage Firm’s Policies

A. Brokerage Firm’s Brokerage Relationship Policy

1. An Employing Broker or Independent Broker must adopt a written office policy which identifies and describes the relationships in which such Employing Broker, Independent Broker, and any Associate Brokers may engage with any Consumers prior to providing any Real Estate Brokerage Services pursuant to sections 12-10-403 and 12-10-408, C.R.S.
2. An Employing Broker or Associate Broker must be designated in writing by the Employing Broker to serve as a Single Agent or Transaction-Broker for a Consumer pursuant to section 12-10-402(3), C.R.S. and as set forth in Rule 6.6.

B. Office Policy Manual

Employing Brokers must also adopt any written policies suitable to the Brokerage Firm’s business, subject to the following as applicable:

1. Applies to all Associate Brokers in the Brokerage Firm.
2. Be given to and signed by each Associate Broker.

3. Identifies the procedures for the designation of Brokers who are to work with Consumers pursuant to section 12-10-403(6), C.R.S. and as set forth in subsection A. of this Rule.
4. Identifies and provides adequate means and procedures for the maintenance and protection of confidential information that:
  - a. The seller or landlord is willing to accept less;
  - b. The buyer or tenant is willing to pay more;
  - c. Information regarding motivating factors for the parties;
  - d. Information that a party will agree to other financing terms;
  - e. Material information about a party not required by law to be disclosed;
  - f. Facts or suspicions which may psychologically impact or stigmatize a property; and
  - g. All information required to be kept confidential pursuant to sections 12-10-404(2), 12-10-405(2) and 12-10-407(3), C.R.S.
5. Permits an Employing Broker to supervise a transaction and to participate in the same transaction as a Designated Broker.

C. Policy on the Destruction or Disposal of Personal Identifying Information

An Employing Broker or Independent Broker must develop and implement a written policy for the destruction or proper disposal of paper and electronic documents containing Personal Identifying Information that satisfies the requirements of section 6-1-713, C.R.S.

6.10. Advertising

A. Names

1. Pursuant to section 12-10-203(9), C.R.S., no Broker will be licensed to conduct Real Estate Brokerage Services under more than one (1) Brokerage Firm.
2. Pursuant to section 12-10-203(9), C.R.S., no Broker or Brokerage Firm will conduct or promote Real Estate Brokerage Services except in the name under which that Broker or Brokerage Firm appears in the records of the Commission. A Brokerage Firm may also include the locations of its offices, to include branch offices in the Advertising.
3. Brokers will not Advertise so as to mislead the public concerning the identity of the Broker or the Broker's Brokerage Firm.
4. All Advertising must be done clearly and conspicuously in the name of the Broker's Brokerage Firm. However, a Broker who Advertises real property owned by the Broker which is not listed for sale or lease with the Broker's Brokerage Firm is exempt from Advertising the Broker's own property in the Broker's Brokerage Firm's name.



5. A Brokerage Firm may use a Trade Name in addition to or instead of the Brokerage Firm's legal name. The Trade Name must be filed with the Commission.
6. A Brokerage Firm may use a Trademark in conjunction with the Brokerage Firm's legal name or Trade Name with permission of the owner of such Trademark.
  - a. A Brokerage Firm that uses a Trade Name or Trademark owned by a third party is required to use one (1) of the following statements, which must appear in a clear and conspicuous manner so as to attract the attention of the public:
    - i. "Each (insert general Trade Name) brokerage business is independently owned and operated." or
    - ii. "Each office independently owned and operated."
  - b. Upon written request, the above statements may be modified with consent of the Commission.
7. No Brokerage Firm will use more than one (1) Trade Name; however, upon written request and with the consent of a representative of the Commission, a Brokerage Firm may use more than one (1) Trademark. Use of the Trademark(s) is only acceptable if the Brokerage Firm has obtained permission of the registrant of such Trademark.
8. No Broker may use a professional designation in Advertising unless the Broker is in good standing and the designation is easily verifiable by the public and the Commission. A Broker that Advertises an award, membership, or achievement must be able to provide verification of the validity of such claims upon request from any member of the public or Commission.

**B. Teams**

1. Brokers who form a Team must not Advertise in a manner that misleads the public as to the identity of the Team's Brokerage Firm. Teams are prohibited from using the following terms in the Team's name:
  - a. Realty,
  - b. Real estate,
  - c. Realtors,
  - d. Company,
  - e. Corporation,
  - f. Corp.,
  - g. Inc.,
  - h. LLC,
  - i. LP or LLP, or

- j. Any other term that would imply a separate entity from the Brokerage Firm with which the Team Brokers are licensed.
  2. All Team Advertising must clearly and conspicuously include and be in conjunction with the legal name or Trade Name of the Brokerage Firm.
  3. If requested by a Consumer, the Commission, another Brokerage Firm or Broker, the Brokerage Firm will provide the names of the Brokers that belong to any Team licensed with the Brokerage Firm.
  4. Brokers may not allow the use of the Team's name by other Brokers outside the Team's Brokerage Firm.
- C. Brokerage Firms and Brokers are responsible for ensuring that all Advertising is accurate and complies with copyright laws and other applicable laws and regulations. This includes, but is not limited to, the accuracy of information entered into Multiple Listing Services regarding property data, sales information, and the identification of Brokers who participated in the listing and sale of the property.
- D. Electronic Media
1. When a Broker owns or controls Electronic Media, each Viewable Page must include the Broker's Brokerage Firm's name. Any expired listings must be removed from the Broker's Electronic Media within three (3) days of a Listing Contract expiring.
  2. If a Broker authorizes a third party for the Broker's Electronic Media Advertising, the Broker is responsible for ensuring that the information provided to such third party is accurate, including, but not limited to, the accuracy of information entered into Multiple Listing Services regarding property data, sales information, and the identification of Brokers who participated in the listing and sale of the property. The Broker must submit a written request to any third-party syndicators to have all expired listings removed from Electronic Media within three (3) days of a Listing Contract expiring.
  3. A Broker who communicates through email, chat, instant messages, newsgroups, discussion lists, bulletin boards, blogs, or other similar means for purposes of Advertising the Broker's Real Estate Brokerage Services must use the Broker's Brokerage Firm's name. However, once a Broker has disclosed the Broker's Brokerage Firm to a specific Consumer, the Broker is not required to continue to make the same disclosure to the specific Consumer.
  4. When it is not reasonable for a Broker to disclose the Broker's Brokerage Firm's name in an Electronic Media because space is limited, the Broker will disclose the Broker's Brokerage Firm's name clearly and conspicuously within the first click of the mouse.
- E. Past Sales Data Advertising
- General sales data Advertising, regardless of the medium, which recaps sales activity over a period of time in a given subdivision or geographical area must include all of the following:
1. Cite the source of the data; and

2. Include a disclaimer, if accurate, that all reported sales:
  - a. Were not necessarily listed or sold by the Broker; and
  - b. Are intended only to show trends in the area or will separately identify the Broker's own sales activity.

F. Authority to Advertise Available and Under Contract Properties

Brokers may not Advertise the availability or price of a property whether for sale or lease without authority from the owner or the owner's Broker. If such authority is requested, an owner's Broker may not withhold the authority to advertise said property unless such authority is contradictory to instructions from the owner as memorialized in the Listing Contract or other writing. A Broker who has received written permission to disseminate another Broker's Advertising or an owner's Advertising who is not represented by a Brokerage Firm (For Sale by Owner) may do so as set forth in subsections F.1. and F.2. of this Rule.

1. A Broker may disseminate another Broker's Advertising in the following manner:
  - a. A Broker must have the owner's Broker's written permission to disseminate the Advertising;
  - b. The Broker discloses, in a conspicuous manner, the owner's Brokerage Firm;
  - c. The Advertising is accurate and not misleading to Consumers; and
  - d. The Advertising complies with subsection C. of this Rule.
2. A Broker may disseminate an owner's Advertising who is not represented by a Brokerage Firm in the following manner:
  - a. The Broker must have the owner's written permission to disseminate the Advertising;
  - b. The Broker discloses, in a conspicuous manner, that the owner is not represented by a Broker;
  - c. The Advertising is accurate and not misleading to Consumers; and
  - d. The dissemination of an owner's Advertising does not include submitting the information into a property exchange or multiple listing service.

G. Price Set by Owner

The price quoted in any Advertising will not be anything other than the price agreed upon between the Broker and the owner.

6.14. Contracts

A. Document Preparation and Duplicates

1. Contracting instruments prepared by a Broker performing Real Estate Brokerage Services for all real estate or business opportunity transactions must accurately reflect the financial terms of the transaction by itemizing Things of Value paid or

received and identifying the party or parties conveying, receiving and/or ultimately benefitting from such Things of Value. All such terms made subsequent to the original contract must be disclosed in an amendment to the contract.

2. A Broker must deliver Duplicates of all documents prepared by the Broker to all Consumers or their representatives at the time such document was prepared by the Broker ~~as set forth in Rule 6-19~~.

B. No Fees to Brokers for Legal Document Preparation

Brokers are not obligated to prepare any legal documents as part of a real estate transaction. If the Broker or the Broker's designee prepares any legal document, the Broker or the Broker's designee may not charge a separate fee for preparation of such legal documents. The Broker is not responsible for fees charged for the preparation of legal documents where they are prepared by an attorney representing the Consumer. Costs of closing not related to preparation of legal documents may be paid by the Broker or by any other person. A Broker who closes transactions and charges separately for costs of closing not related to the preparation of legal documents must specify the costs and obtain the written consent of the parties to be charged.

C. Listing must be in Writing

Regardless of the Brokerage Relationship, all seller Listing Contracts and landlord Listing Contracts must be in writing prior to performing any Real Estate Brokerage Services.

D. Listings must have Termination Date

All Listing Contracts or other written agreements between a Consumer and a Brokerage Firm or Broker to perform Real Estate Brokerage Services must have a definite date for termination pursuant to section 12-10-409(1)(b), C.R.S.

E. Holdover Agreement

When a Listing Contract or other written agreement contains a provision entitling a Brokerage Firm to a commission made after the expiration of the agreement, such provision must refer only to those persons or properties with whom or on which the Broker negotiated during the term of the agreement, and whose names or addresses were submitted in writing to the Consumer during the term of the agreement, including any extension thereof.

F. Brokers must recommend title exam and legal counsel

Brokers are not permitted to give advice on exceptions to title as such conduct would constitute the unauthorized practice of law. Brokers must recommend, before the applicable deadlines, that Consumers should examine all title exceptions and encourage Consumers to seek guidance from a licensed attorney.

G. Review of Deeds

Brokers should not give advice based on their review of deeds for conveyance of real property unless such deeds are drafted by the Broker.

6.15. Sign Crossing

- A. Brokers will not negotiate a Listing Contract directly with a Consumer ~~for compensation from said Consumer~~ if such Broker knows the Consumer has an unexpired Listing Contract with another Brokerage Firm granting said Brokerage Firm an exclusive contract.
- B. However, if a Broker is contacted by a Consumer who is currently subject to an exclusive Listing Contract, and the Broker has not initiated the discussion, the Broker may negotiate the terms upon which to take a future Listing Contract or, alternatively, may take a Listing Contract to become effective upon expiration or termination of any existing Exclusive Listing.
- C. ~~The burden of inquiry is on the Broker to determine the existence of the Listing Contract and to advise the Consumer to seek guidance from a licensed attorney.~~ The Broker must ask the consumer if there is an unexpired listing contract in effect. The Broker must ask for written confirmation from the Consumer that the listing contract is expired or has been terminated.
- D. If there is an unexpired listing contract in effect that the consumer wishes to terminate or cancel, the broker must advise the Consumer to seek guidance from a licensed attorney.

#### 6.16. Access Information for a Property

A Broker who is not the owner's Broker is prohibited from sharing access information to a property with any third party, such as an assistant, home inspector, contractor, or a Consumer without prior authorization from the owner's Broker. A Broker is prohibited from using access information for a property to access the property outside of the authorized showing window.

#### 6.17. Duty to Disclose Conflict of Interest and License Status

- A. Brokerage Firms and Brokers have a continuing duty to disclose, in writing, any known ~~conflict~~ Conflict of ~~interest~~ Interest that may arise in the course of any real estate transaction.
- B. If a Broker sells, buys, or leases real property on the Broker's own account, such Broker must disclose in the contracting instrument, or in a separate concurrent writing, that they are a licensed Broker.
- C. A Brokerage Firm or Broker engaged in Property Management Services has a duty to disclose, in writing, any known ~~conflict~~ Conflict of ~~interest~~ Interest that may arise in the selection or use of a business or vendor that provides services applicable to lease transactions, including property maintenance. The Brokerage Firm or Broker is required to disclose any ownership, financial, or familial interest associated with the selection or use of a particular business or vendor.

#### 6.22. Prohibited Remedies for Compensation

- A. If for any reason the seller fails, refuses, neglects, or is unable to consummate the transaction as provided for in the contract, and through no fault or neglect of the buyer the real estate transaction cannot be completed, the Brokerage Firm has no right to any portion of the earnest money deposit which was deposited by the buyer.
- B. In a residential transaction, unless a Broker or Brokerage Firm has adjudicated a claim and a judgment is entered, no Broker or Brokerage Firm will file or threaten to file a lien, a lis pendens, record a Listing Contract to secure the payment of a commission or other fee associated with Real Estate Brokerage Services, cause the title to a property to become

clouded or interfere with the transfer of title when the Broker or Brokerage Firm is not a principal in the transaction.

- C. A Brokerage Firm and Broker who has Commercial Real Estate listed for lease and has provided Real Estate Brokerage Services that resulted in procuring a tenant who has leased any interest in the Commercial Real Estate in accordance with the written agreement between the Brokerage Firm and the owner may file a lien pursuant to section 38-22.5-103, C.R.S. against the Commercial Real Estate in the amount of the compensation set forth in the written agreement. If the Commercial Real Estate has been conveyed to a bona fide buyer prior to the recording of the notice to lien pursuant to section 38-22.5-104, C.R.S., a Brokerage Firm or Broker may not file a lien for a commission that is due as the result of a lease renewal.

#### 6.27 Data Security and Protecting Personal Identifying Information

Brokers must take affirmative steps to handle all Personal Identifying Information obtained while performing Real Estate Brokerage Services in a Safe and Secure Manner.

- A. The duty to handle Personal Identifying Information in a Safe and Secure Manner applies to the collection, processing, storage, transmission, disposal, or deletion of any such information.
- B. At a minimum, Brokers must take the following affirmative steps to fulfill their duty to handle Personal Identifying Information in a Safe and Secure Manner:
  - 1. Must follow the Brokerage Firm's policy on destruction of Personal Identifying Information as set forth in Rule 6.4.C.
  - 2. Manage any data breach and data breach notification in accordance with the provisions of Section 6-1-716, C.R.S.;
  - 3. Use two-factor authentication whenever it is available;
  - 4. Avoid doing business over public, unsecured Wi-Fi;
  - 5. Use encrypted email, a transaction management platform, or a document-sharing program to transmit Personal Identifying Information;
  - 6. Keep antivirus software and firewalls active and up to date;
  - 7. Secure all paper documents in a locked location and limit access only to authorized employees.

#### CHAPTER 7: USE OF STANDARD FORMS

- 7.2. Permitted and Prohibited Modifications and Form Reproduction of Commission-Approved Forms as set forth in Rule 7.1.A.
  - A. A Broker or Brokerage Firm may add the Brokerage Firm's name, Trade Name, address, telephone, e-mail, Trademark or other identifying information on a Commission-Approved Form.
  - B. A Broker or Brokerage Firm may add initial lines at the bottom of a page of any Commission-Approved Form.

- C. Any deletion or modification to the printed body of a Commission-Approved Form must result from negotiations or the instruction(s) of a party to the transaction. Any deletion must be made directly on the printed body of the form by striking through the deleted portion in a legible manner that does not obscure the deletion that has been made.
- D. Blank spaces on a Commission-Approved Form may be lengthened or shortened to accommodate the relevant data or information.
- E. Provisions that are inserted into blank spaces must be printed in a font style or type that clearly differentiates such insertions from the font style or type used for the Commission-Approved Form language.
- F. A Broker may delete part or all of the following provisions of the Commission-Approved "Contract to Buy and Sell Real Estate" Forms (even if the provision has since been changed to a different section number) or corresponding provisions in other Commission-Approved Forms, if such provisions do not apply to the transaction. In the event any provision is deleted, the provision's caption or heading must remain unaltered on the form followed by the words "omitted-not applicable".
  - 1. Section 2.5. Inclusions
  - 2. Section 2.6. Exclusions
  - 3. Section 2.7. Water Rights/Well Rights
  - 4. Section 4.2. Seller Concession
  - 5. Section 4.5. New Loan
  - 6. Section 4.6. Assumption
  - 7. Section 4.7. Seller or Private Financing
  - 8. Section 5. Financing Conditions and Obligations
  - 9. Section 6. Appraisal Provisions
  - 10. Section 7. Owners' Association
  - 11. Section 8.6. ~~Right of First Refusal or Contract Approval- Third Party Right to Purchase/Approve~~
  - 12. Section 9. New ILC, New Survey
  - 13. Section 10.6. Due Diligence
  - 14. Section 10.8. Source of Potable Water (CBS1, CBS2, CBS4, CBSF1)
  - 15. Section 10.9. Existing Leases; Modification of Existing Leases; New Leases (CBS2, CBS3, CBS4)
  - ~~16.~~ Section 10.13 Radon Disclosure
  - ~~17.~~ Section 11. Tenant Estoppel Statements (CBS2, CBS3, CBS4)

~~1718.~~ Section 15.3. Status Letter and Record Change Fees-Association Fees and Required Disbursements

~~1819.~~ Section 15.4. Local Transfer Tax

~~1920.~~ Section 15.5. Private Transfer Fee-Sales and Use Tax

~~2021.~~ Section 15.~~67.~~ Sales and Use Tax-Private Transfer Fee

~~2422.~~ Section 16.~~12.~~ Rents

~~2223.~~ Section 16.~~23.~~ Association Assessments

- G. A Broker may delete part or all of the following provisions of the “Counterproposal” and the “Agreement to Amend/Extend Contract” if such provisions do not apply to the transaction. In the event any provision is deleted, the provision’s caption or heading must remain unaltered on the form followed by the words “omitted-not applicable”.
1. Section 3. Dates and Deadlines Table
  2. Section 4. Purchase Price and Terms [in the Counterproposal only]
- H. A Broker or Brokerage Firm may add signature lines and identifying labels for the parties’ signatures on a Commission-Approved Form.
- I. A Broker or Brokerage Firm may modify, strike, or delete such language on a Commission-Approved Form as the Commission may from time to time authorize the language to be modified, stricken, or deleted.
- J. A Broker must explain all permitted modifications, deletions, omissions, insertions, additional provisions, and addenda to the principal party and must recommend that the parties obtain expert advice as to the material matters that are beyond the expertise of the Broker.
- K. Commission-Approved Forms used by a Broker, including permitted modifications made by a Broker, must be legible.
- L. Brokers or Brokerage Firms generating Commission-Approved Forms in an electronic format must ensure that the forms are protected so as to prevent inadvertent changes or prohibited modifications of Commission-Approved Forms by the Broker or recipient.

## 7.5 Non-Commission Approved Contracts to Buy and Sell

When a Broker is representing a Consumer in a transaction where a third party (e.g., homebuilder, bank owned, instant buyer, etc.) is requiring the use of a purchase contract that was created by the third party, due to the potential for the Consumer to suffer significant financial harm resulting from use of a contract not approved by the Commission, before the Consumer enters into the purchase contract, the Broker is required to send the Consumer a written communication advising the Consumer to seek legal advice from a licensed attorney.

## CHAPTER 9: COMMISSION REVIEW OF INITIAL DECISIONS AND EXCEPTIONS

### 9.1. Written Form, Filing Requirements, and Service



- A. All pleadings must be in written form, ~~mailed with a certificate of service to the Commission.~~
- B. ~~All pleadings must be filed with the Commission on OR BEFORE the date the filing is due. Computation of time for the filing timelines for Chapter 9 of these Rules is pursuant to section 24-4-108, C.R.S. A pleading is considered filed upon receipt by the Commission. Chapter 9 of these Rules does not provide for any additional time for service by mail. Pleadings may be filed with the Commission by mail or email.~~
- C. ~~All pleadings must be filed with the Commission and not with the Office of Administrative Courts. Any pleadings filed in error with the Office of Administrative Courts will not be considered. The Commission's address is:~~
- ~~Colorado Real Estate Commission  
1560 Broadway, Suite 925  
Denver, CO 80202~~
- ~~All pleadings must be filed with the Commission on or before the date the filing is due. Computation of time for the filing timelines for Chapter 9 of these rules is pursuant to section 24-4-108, C.R.S. A pleading is considered filed upon receipt by the Commission. Chapter 9 of these rules does not provide for any additional time for service by mail.~~
- D. ~~All pleadings must be served on the opposing party on the date which the pleading is filed with the Commission. Electronic service between the parties is encouraged. The date and manner must be noted on the certificate of service. ALL PLEADINGS MUST CONTAIN A CERTIFICATE OF SERVICE THAT NOTES THE DATE AND MANNER OF SERVICE ON ALL PARTIES. All pleadings must be filed with the Commission and not with the Office of Administrative Courts. Any pleadings filed in error with the Office of Administrative Courts will not be considered.~~
- E. ~~All pleadings must be served on the opposing party on the date which the pleading is filed with the Commission. Electronic service between the parties is encouraged. All pleadings must contain a certificate of service that notes the date and manner of service on all parties.~~

#### 9.6. Request for Oral Arguments

- A. All requests for oral argument must be in writing and included with a party's exceptions or response.
- B. ~~It is within the sole discretion of the Commission to~~ The Commission or its authorized representative may grant or deny a request for oral argument. ~~The Commission generally does not grant requests for oral argument.~~ If an oral argument is granted, each party will have ten (10) minutes to present their argument. Questioning by members of the Commission will not count against the allocated ten (10) minutes.
- C. The Commission or its designee may extend the time for oral arguments upon good cause shown.

**A hearing is scheduled for February 6, 2024, beginning at 9:00 a.m. and will only be conducted via Zoom Webinar. All interested and affected parties must register to attend the hearing through the link provided below:**

[https://us06web.zoom.us/webinar/register/WN\\_JMH1AuJsSfe7my9LXTrLcQ#/registration](https://us06web.zoom.us/webinar/register/WN_JMH1AuJsSfe7my9LXTrLcQ#/registration)

Any interested person may participate in the rule making through submission of written data, views and arguments to the Division of Real Estate. Persons are requested to submit data, views and arguments to the Division of Real Estate in writing no less than ten (10) days prior to the hearing date and time set forth above. However, all data, views and arguments submitted prior to or at the rulemaking hearing or prior to the closure of the rulemaking record (if different from the date and time of hearing), shall be considered.

Please be advised that the rules being considered are subject to further changes and modifications after public comment and formal hearing.