2025
Annual Commission Update

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COLORADO
Department of Regulatory Agencies

Consumer Protection is Our Mission.

Real Estate College of Colorado, Inc.

Material in this book is not intended to represent legal advice and should not be so construed. Readers should consult legal counsel for advice regarding points of law.

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Table of Contents

PREFACE

The 2025 Annual Commission Update is a required course for all active Colorado real estate licensees.

It is recommended brokers take the Annual Commission (ACU) Course between January and June.

This course is not a comprehensive overview of the Contract changes that affect calendar year 2024. Brokers should consider taking a contracts course every year to gain this competency.

1 Compliance

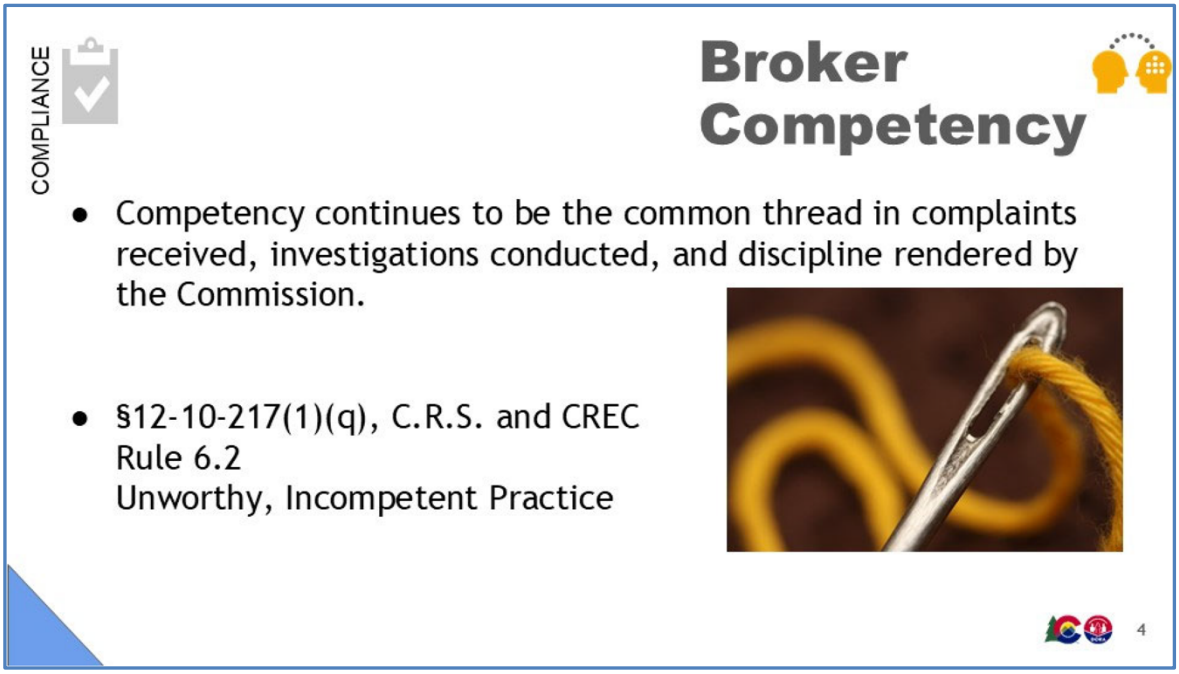
Broker Competency

Continuing Education Audits

Transaction Files and Retention

Complaint Process

Broker Competency



Real Estate markets are in flux. Agents need to be aware of the relevant laws and regulations. Although the ACU is an important step to help brokers understand trends, new laws, and new practices, there are many educational providers that offer in-depth courses on a wide variety of topics. The ACU is not designed to be an in-depth analysis, but rather an introduction to these varied topics.

Division staff are regularly referred complaints and questions pertaining to broker competency. Do you, as a licensee, have the knowledge, skills and abilities necessary to take on a translation? What do you do to get competent?

COMPLIANCE

Broker Competency

Practical Scenario

After Buyer is under contract, but before closing, the Buyer is offered a job requiring travel 95% of the time. Without informing their Broker about the job offer, Buyer asks "What do you think I can rent the condo for?" Broker responds:

"I know you could get $1500/mo short term rentals maybe $2000 in a few years rents will likely go up"

Reading that, and believing that, Buyer decided to close with the intention of renting the property when she was traveling. Buyer was then informed by the HOA board that short term rentals are not permitted.

5

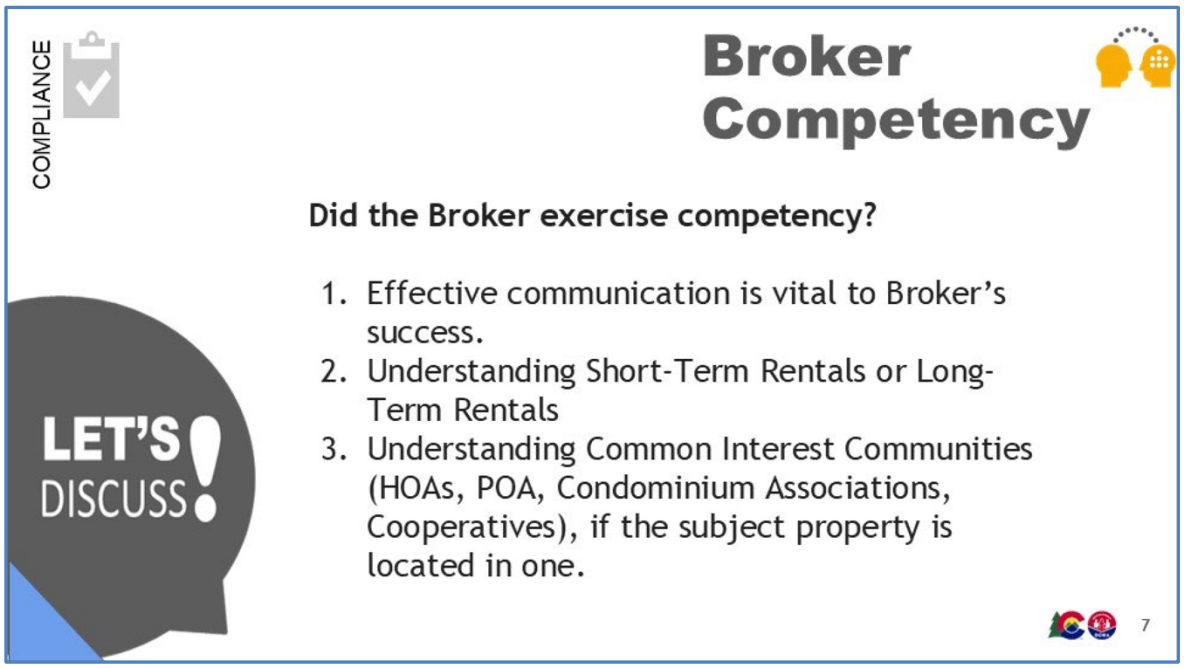
COMPLIANCE

Broker Competency

Questions

- Did the Broker exercise competency?
- How do you gain competency?

6

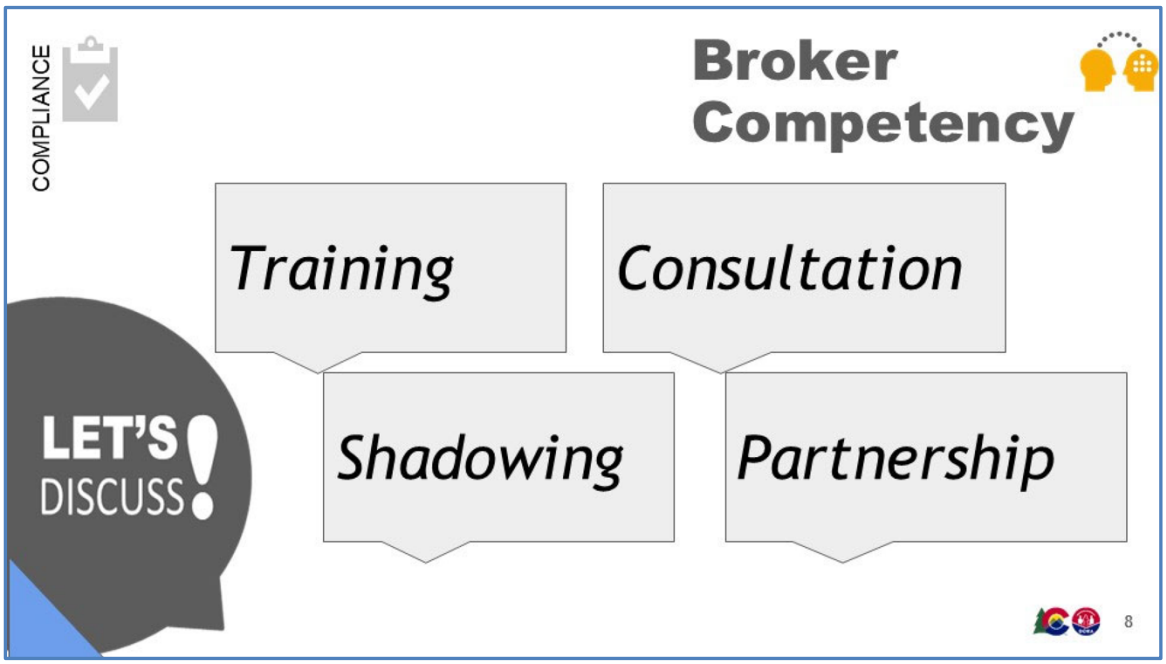


In the scenario, did the Broker exercise competency? Likely, no. The Broker failed by:

1. By communicating with the Buyer so poorly: (1) little or no punctuation, (2) incomplete sentences, and (3) conclusory language, Broker did not act competently.

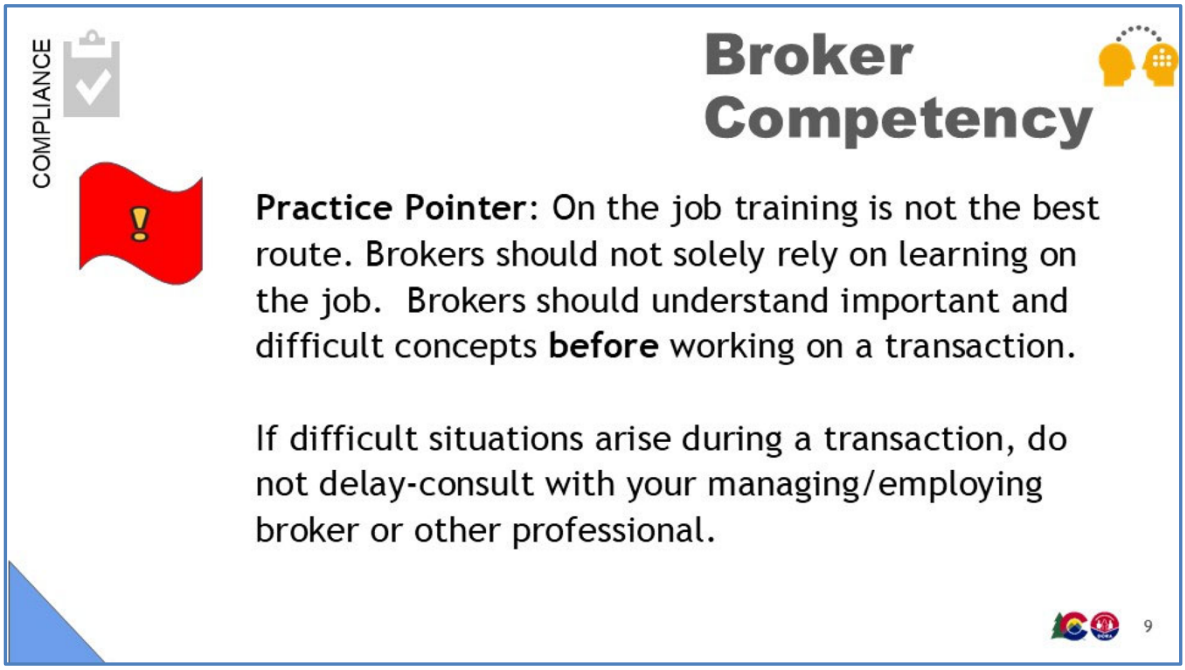
2. Broker did not discuss what the Buyer was asking? Short-Term Rental? Long-Term Rental? Broker failed to determine and discuss any requirements for short-term rentals or determine if short-term rentals were permitted. The same can be said about long-term rentals. Broker did not act competently.

3. Broker did not consider that the property is located in an HOA. In this case, the Broker should have known because the unit was a condo, that it was in an HOA (or some other Common Interest Community). Deed and use restriction, including rental restrictions, are very common. Broker did not act competently.



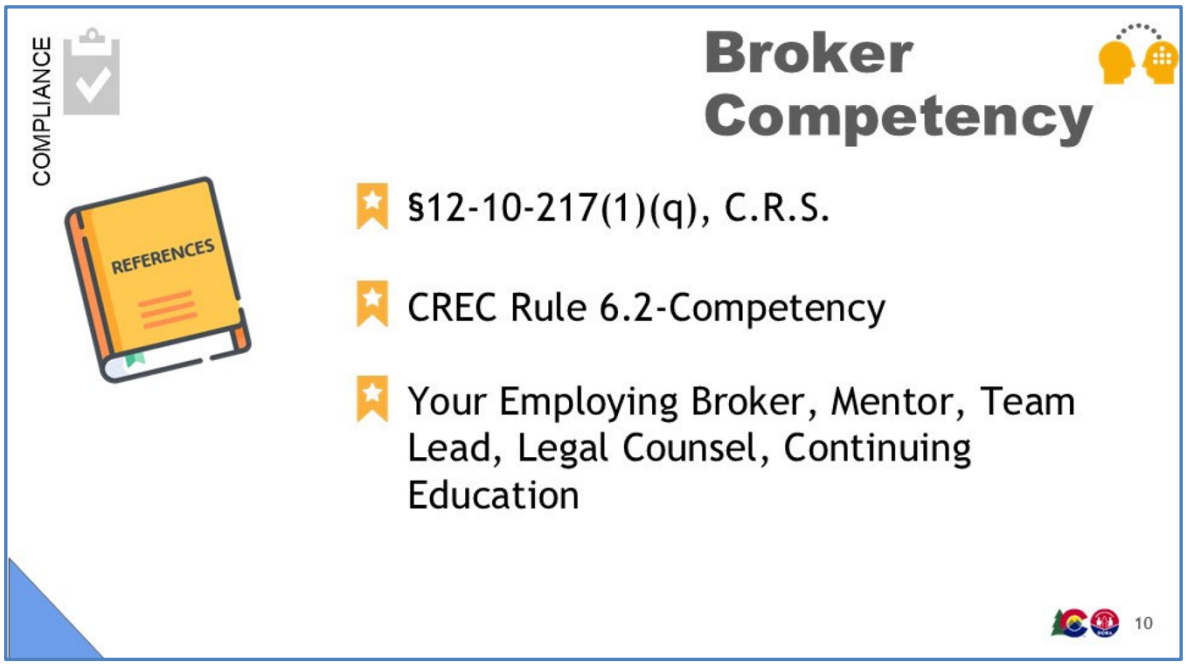
How do you gain competency?

- *Training*: You can take CE, attend Colorado Real Estate Commission Meetings, and obtain certifications and designations.
- *Shadowing*: Working with another Broker through several deals until you have complete understanding of the type of transaction.
- *Consultation*: Discuss the type of transaction you are interested in with your Employing Broker, Supervisory Broker, other Broker with experience, or Colorado Attorney.
- *Partnership*: Co-list with a broker with experience in a particular type of transaction.

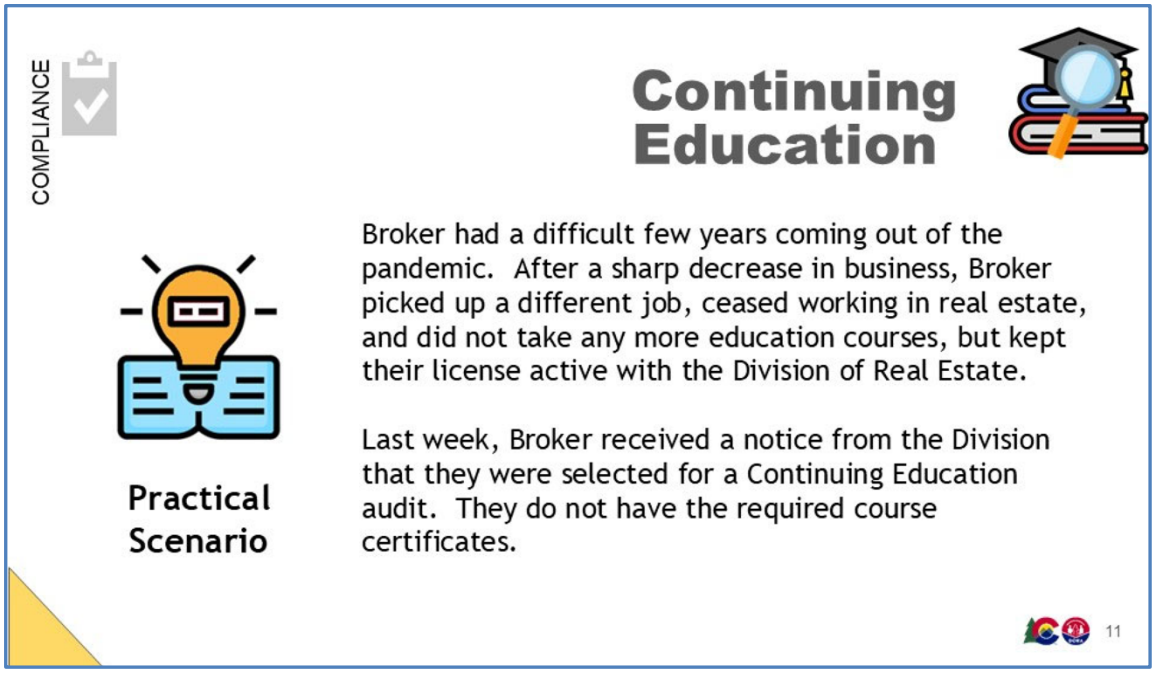


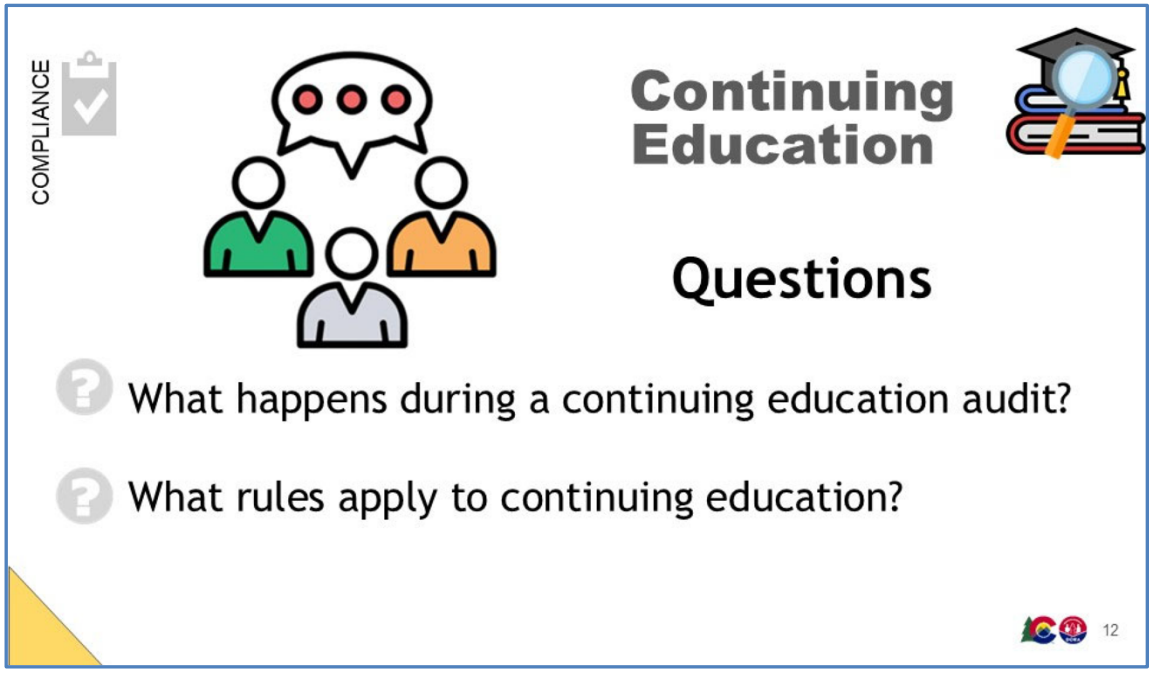
Practice Pointer: Can the broker learn as they go?

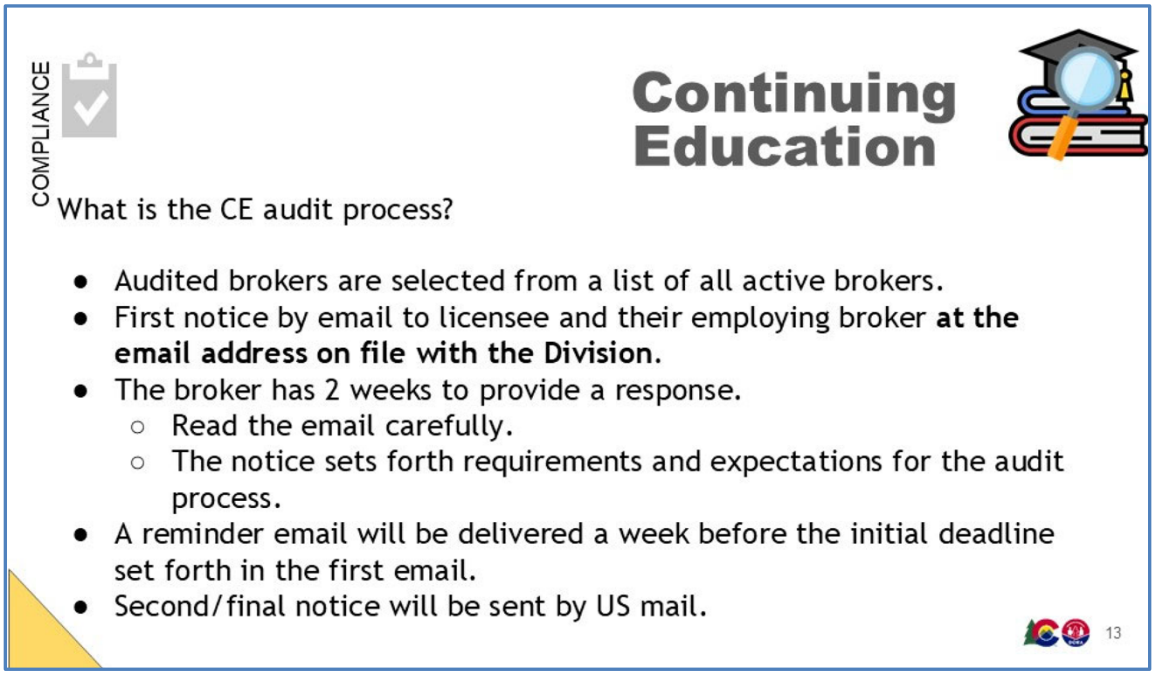
No. Brokers should not figure out things as they work through a transaction. It is important to understand these difficult concepts BEFORE working on a transaction. By learning as you go, you will significantly increase the probability of discipline, but, when in doubt, consult with the managing or employing broker is situations arise during a transaction.



Continuing Education Audits







A background on the Continuing Education audit process is important. By understanding the process and the Division's expectations, we can shed light on this process. Brokers should understand that audits are NOT punishment but are an important part of compliance with license law. On a rolling basis, the Division audits brokers for compliance with continuing education requirements.

1. The Division selects audited brokers from a pool of all active brokers.

2. First notices to audited brokers (and their employing brokers) are delivered to the email address on file in the Division's licensing system.

    a. It is essential that all licensees have their current email address on file with the Division so that Division staff can make contact. If Brokers have the wrong or an incorrect email address on file with the Division, and they fail to respond to the audit, they will be deemed non-responsive.

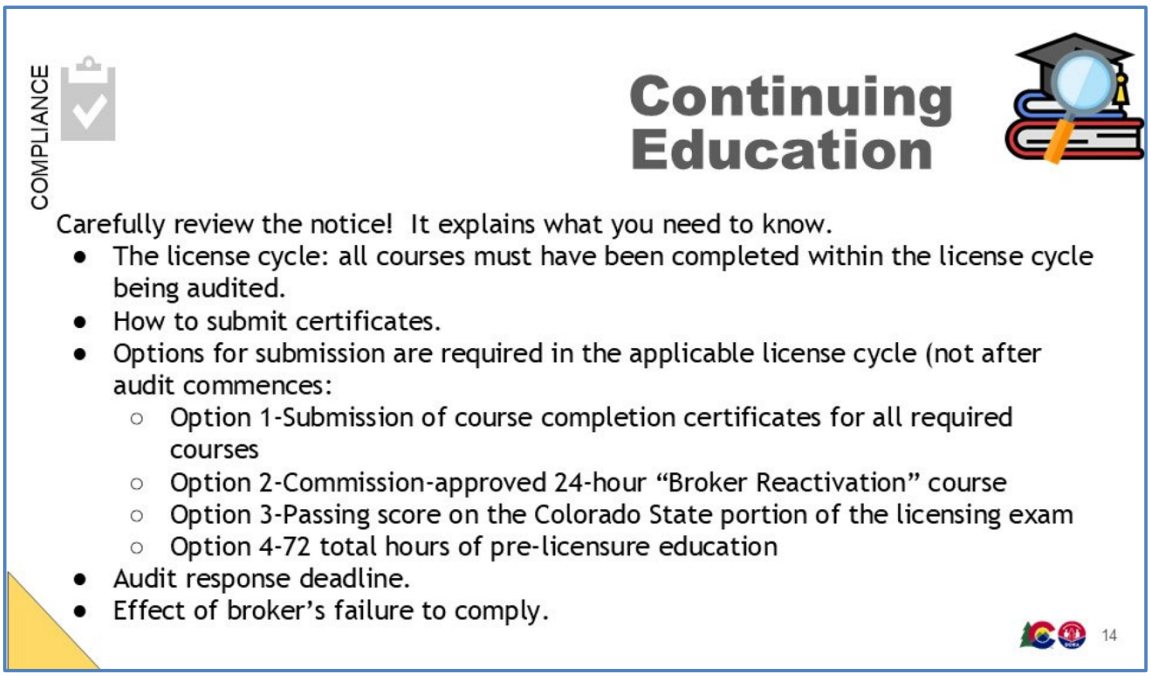
    b. All non-responsive Brokers will be referred to the Enforcement Program. Brokers are advised that failure to respond to an audit is additional grounds for discipline.

3. Response is necessary within 2 weeks.

4. Read it carefully. This correspondence contains EVERYTHING that the broker needs to know.

5. A reminder notice is usually delivered by email before the initial deadline.

6. If no response is received, or the email bounces back as undeliverable, a second notice will be sent by US mail. This notice will go to the Broker and the Broker's Employing Broker.



The notice is a detailed description of everything the broker needs to know about the audit process.

Don't panic, just read the notice carefully. The notice explains:

1. That the broker has been selected for an audit and the legal authority for the audit.

2. Which license cycle is being audited. **Note: license cycles begin on January 1 and end on December 31 three years later**. (example: January 1, 2022 through December 31, 2024)

3. That all courses need to have been completed **DURING** the license cycle. Therefore, brokers should submit all certificates of completion for that cycle only.

4. How to properly submit certificates pursuant to the audit. **Note: Email certificates as attachments. Do not use regular mail or UPS or FedEx, etc**.

5. If the broker does not have the required certificates, there are three other options:

    a. Evidence of completion of the Commission-approved 24-hour "Broker Reactivation" course during the license cycle (this option is only available EVERY OTHER LICENSE CYCLE)

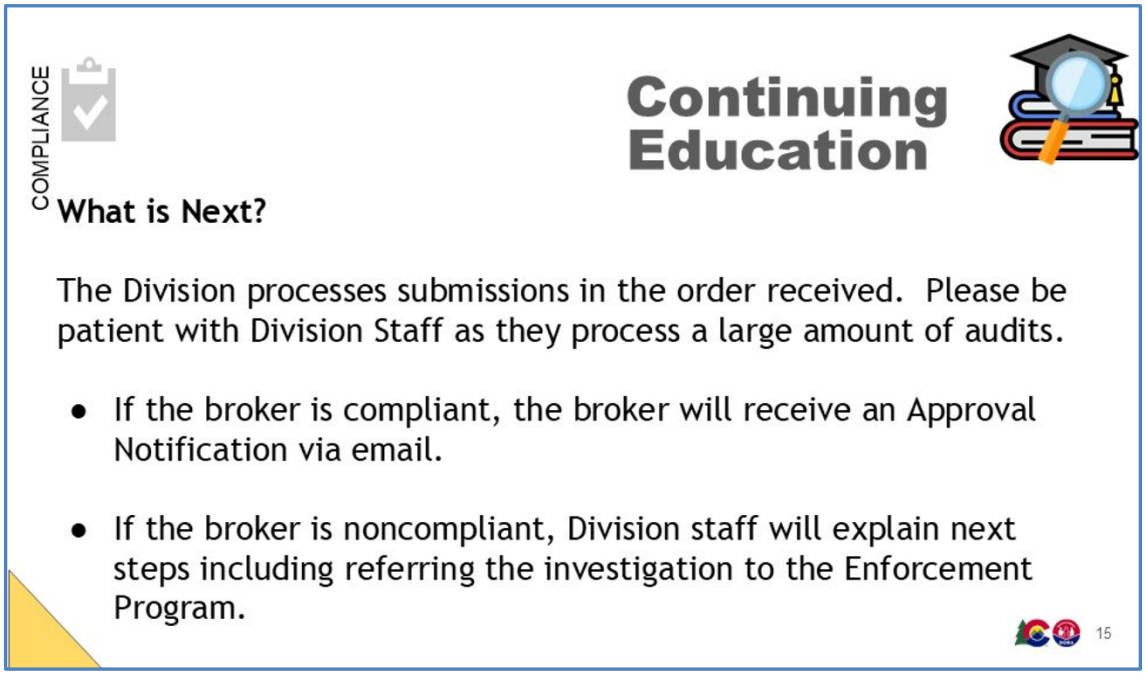
    b. Evidence of passing the Colorado State portion of the licensing exam during the license cycle

c. Evidence of completion of 72 total hours of pre-licensure education during the license cycle (48 hours of Contracts and Regulations, 24 hours of Real Estate Closings)

6. When the response deadline is.

7. What the effect of the broker's failure to comply may be.

NOTE: Coursework does not apply to future requirements. See CREC Rule 4.5.C.



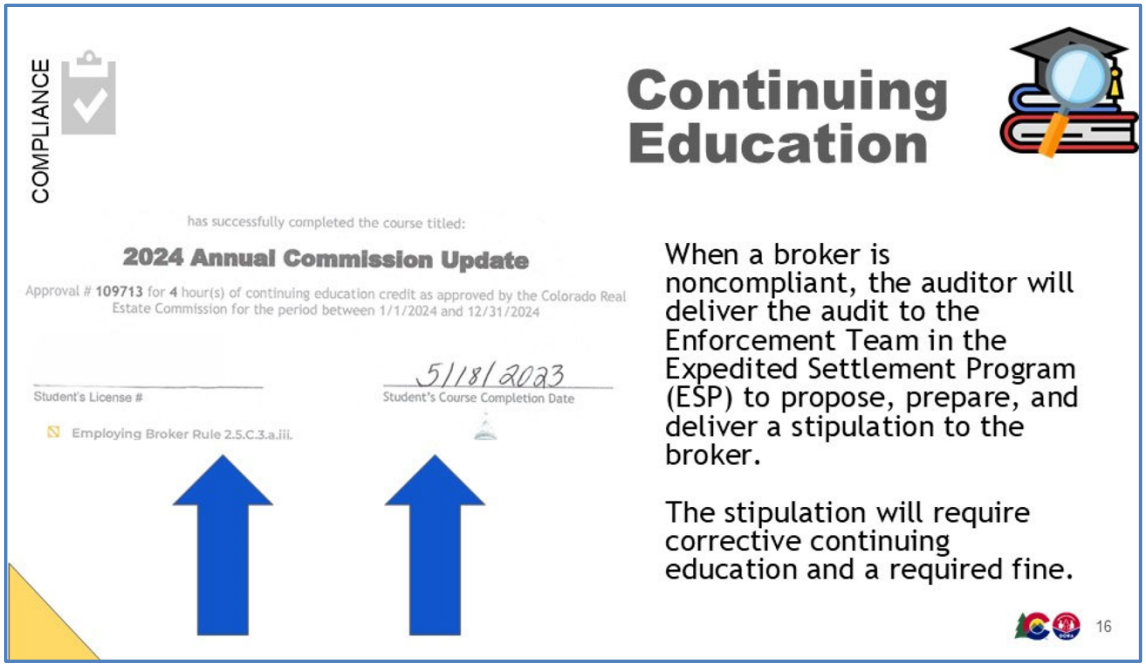
The Division will process responses in the order they are received.

1. Allow a minimum of five to seven business days for Division staff to review your submission.

2. Allow at least 7 business days before inquiring regarding the status. The Division receives hundreds of inquiries and submissions each month. To ensure your inquiry is not pushed back in the queue, please do not send multiple emails.

3. There is no need to call or email the Division regarding receipt of your email/certificates(s). The Division will contact the broker if there are any questions or to advise you of the next steps, if needed.

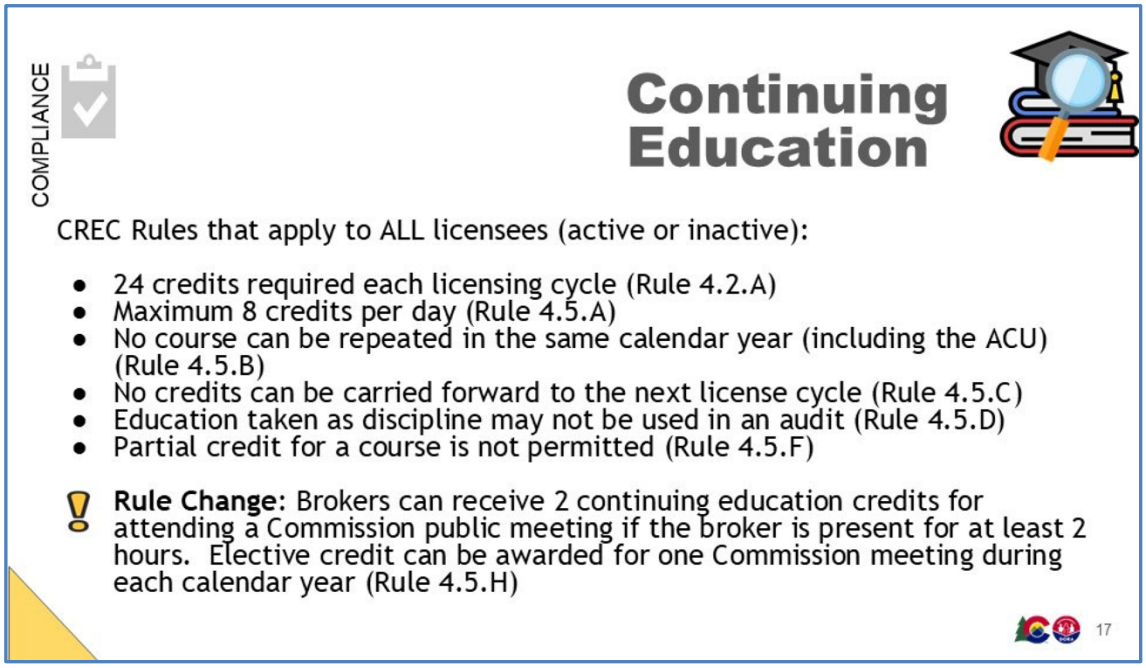
If the broker is compliant, confirmation will be delivered via email. If the broker is NOT compliant, an email detailing the next steps will be delivered. Division staff will contact the broker to explain what is missing and why specific certificates that were submitted were not accepted for credit.



After a determination has been made that a broker is noncompliant (either does not have the required certificates or does not respond to the audit notice), the auditor will deliver the broker to the Enforcement Team which is a part of the Expedited Settlement Program at the Division. The Enforcement Team will prepare a Stipulation for Diversion which will summarize the details of the case and the make-up coursework requirements and the necessary fine for noncompliance.

Discuss the image on the slide with students. What is missing? What is inaccurate?

1. Student's license is missing (although it was deleted from this image to protect the licensee identity).
2. The 2024 ACU course was not available in 2023. Therefore, invalid or fraudulent.



There are several common pitfalls that brokers encounter during the audit process. Knowing these rules ahead of time will prevent issues. These CREC Rules apply:

1. Rule 4.2.A: 24 credits each license cycle. 3 different ACUs plus 12 electives.

2. Rule 4.5.A states that a maximum number of credits per day is **8 credit hours**. This is the most commonly violated CE Audit Rule. Furthermore, this is most commonly violated by on-demand students but not exclusively. Brokers may not complete classes totaling more than 8 credits in one day. Division staff carefully review course certificates to verify completion dates and the number of hours. The date on the Certificate of Completion is the date of the credits. If you take the test and pass, that will be the date on the Certificate of Completion.

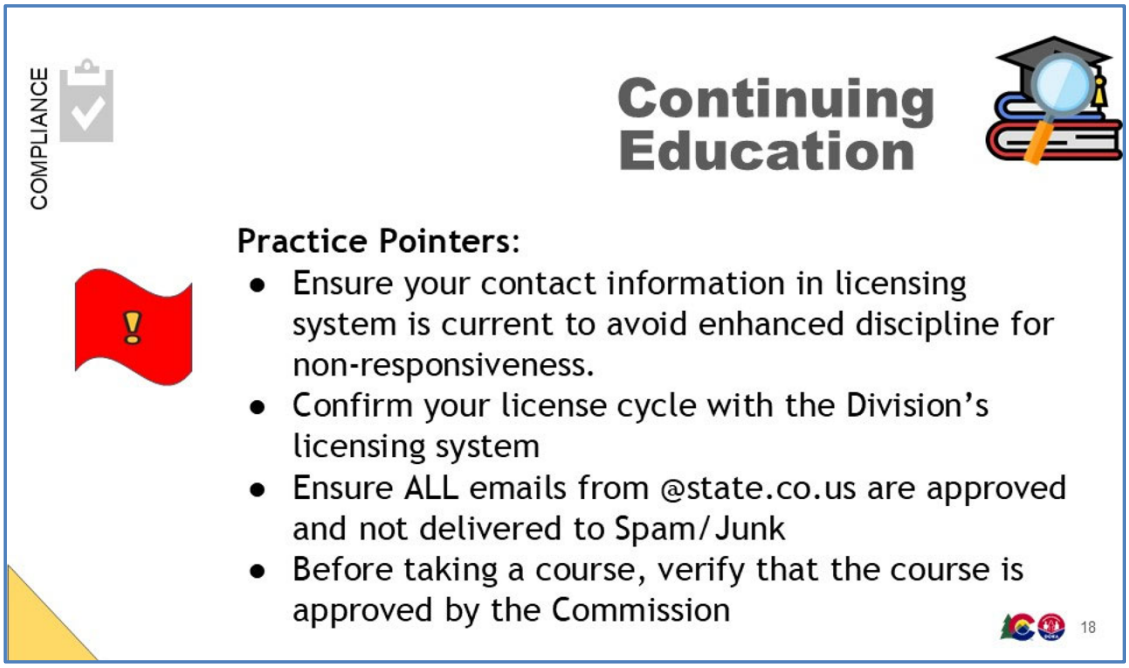
3. Rule 4.5.B is clear that no course can be repeated in the same calendar year. This includes the Annual Commission Update.

4. Rule 4.5.C states that excess credits cannot be carried forward into the next licensing cycle. **All courses MUST be completed in the relevant licensing cycle**. Courses completed prior to or after the compliance period cannot be used to satisfy the continuing education requirements.

5. Rule 4.5.D says that any course(s) taken to satisfy license discipline may not be used to fulfill the license cycle education requirements.

6. Rule 4.5.F states that only fully attended courses can be credited. For example, if a student attends 3 hours of a 4 hour course, they may not receive a certificate of completion or any credit.

In addition, it is important to point out that a CREC Rule change took effect in 2024. Previously, only in person attendance at CREC meetings were eligible for Continuing Education credits. The rule change now allows electronic attendance at CREC meetings. Provided the meeting lasts at least 2 hours, 2 elective credits can be awarded each calendar year. See Rule 4.5.H.



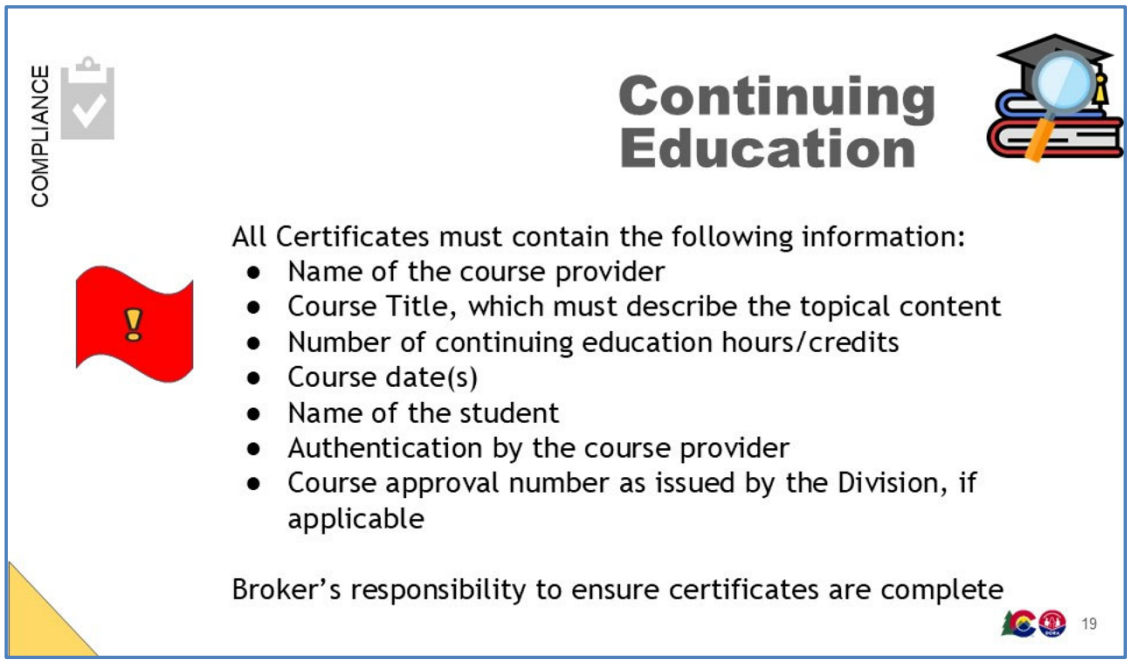
The Division suggests the following practice pointers for all brokers to consider:

1. Regularly review your contact information in the Division's licensing system. If old email address or no email address is associated with your license in the Division's licensing system, broker will become non-compliant for not providing a response to the audit.

2. The only official license cycle is the Division's license cycle. Do not rely on any third-party CE credit trackers. It is your responsibility to confirm your license cycle and whether you are in compliance with continuing education requirements.

3. All email correspondence from the Division will be delivered from emails ending "@state.co.us". Add email addresses from @state.co.us to a "safe sender" or "whitelist" in your email program.

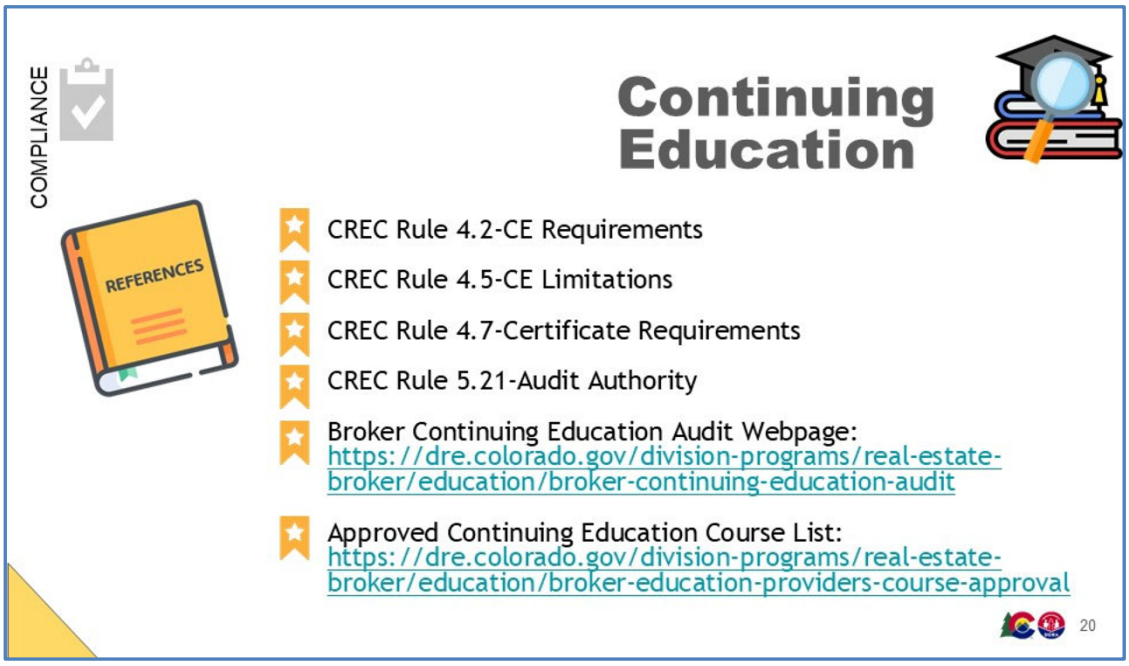
4. Before you take a course, verify that it is approved for continuing education credits on the Division's website.



Identify the contents of every certificate:

1. Name of the course provider
2. Course Title, which must describe the topical content
3. Number of continuing education hours/credits
4. Course date(s)
5. Name of the student
6. Authentication by the course provider
7. Course approval number as issued by the Division, if applicable

Every broker is responsible to verify that the certificates they receive are compliant with CREC Rule 4.7. If not, they should contact the education provider **immediately** and get corrected certificates issued. Delay is not in favor of the Broker. Although Education providers are required to maintain records for a number of years after the course is offered, what happens if the Education Provider goes out of business or changes contact information. All brokers should review their certificates right away and contact the education provider if any information is inaccurate or missing.


COMPLIANCE
Continuing Education
REFERENCES
CREC Rule 4.2-CE Requirements
CREC Rule 4.5-CE Limitations
CREC Rule 4.7-Certificate Requirements
CREC Rule 5.21-Audit Authority
Broker Continuing Education Audit Webpage: https://dre.colorado.gov/division-programs/real-estate-broker/education/broker-continuing-education-audit
Approved Continuing Education Course List: https://dre.colorado.gov/division-programs/real-estate-broker/education/broker-education-providers-course-approval
20

Transaction Files and Retention

COMPLIANCE

Transaction Files

Practical Scenario

Broker entered into a buyer listing contract in October, 2019 and successfully closed a transaction on January 2, 2020.
On December 5, 2023, the buyer filed a complaint with the Division and the Broker was notified by the Division of the complaint December 25, 2023 (Happy Holidays!).
In early January, 2024, Broker begins to search for their transaction files but the Broker's brokerage already deleted the transaction file.

21

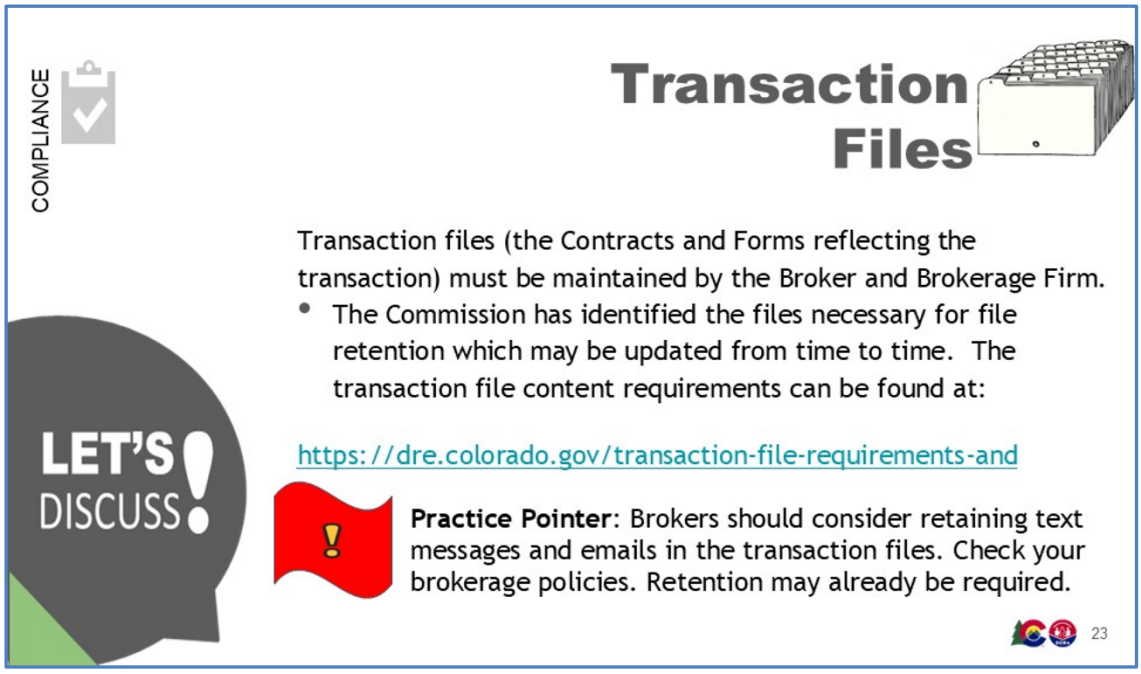
COMPLIANCE

Transaction Files

Questions

- Who has the obligation to ensure that the transaction file is complete?
- What is required to have a complete transaction file?
- When do the CREC Rules permit transaction files to be disposed?

22



1. Who has the obligation to ensure that the transaction file is complete?

The broker has the obligation to ensure that the transaction file is complete.

2. What is required to have a complete transaction file?

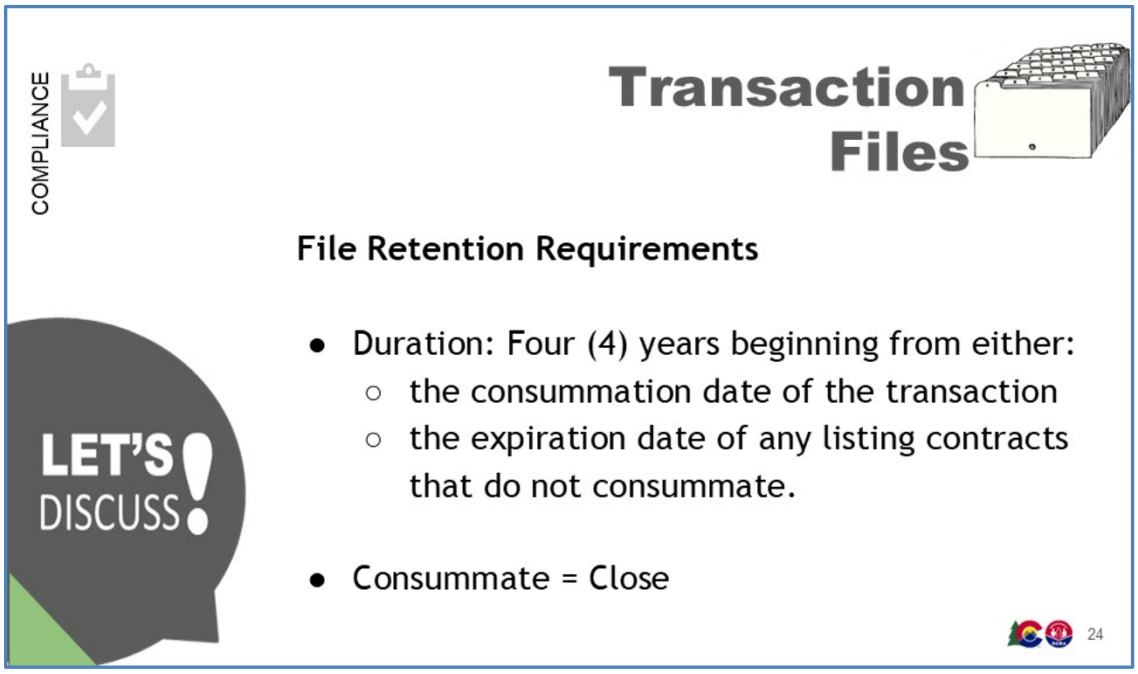
CREC Rule 6.20 allows the Commission to review and update the requirements of a transaction file when appropriate. The Commission-approved requirements are not fully discussed here but the files are categorized into (1) Sales Transaction Files and (2) Property Management Files. Visit the link on the slide to view the document lists.

3. What other materials might be appropriate to maintain above and beyond the documents that are required by the Commission?

Emails and texts often help support what was done and what was said in a transaction.

Retaining correspondence with your consumer, as well as any other brokers, other consumers, and professionals (radon inspectors, home inspectors, roofers, cleaning crews, etc.) is a best practice. Every broker should also review their brokerage policies because this might already be included your current practices as a requirement.

Exceptions To Transaction File Requirements: CREC Rules do not require Brokers to obtain and retain copies of existing public records, title commitments, loan applications, lender required disclosures, or related affirmations from independent third-party closing entities after the closing date.



When do the CREC Rules permit transaction files to be disposed?

CREC Rule 6.20 states that files need to be maintained for 4 years from the consummation date of the transaction OR the expiration of a listing contract that does not consummate. Here, the Broker was notified of a complaint and investigation before the 4-year duration was complete. Brokers (and Brokerages) should diligently review and prepare any responses to a complaint and ensure that transaction files are not deleted, destroyed, or disposed of before allowed by Commission Rules. **In this scenario, because the Broker was notified before 4 years, the Broker should have immediately contacted the brokerage and informed them of the investigation and stopped the destruction of the transaction file.**

What is consummation?

Consummation means:

1. Closing the transaction or
2. The date that the transaction fails to close.

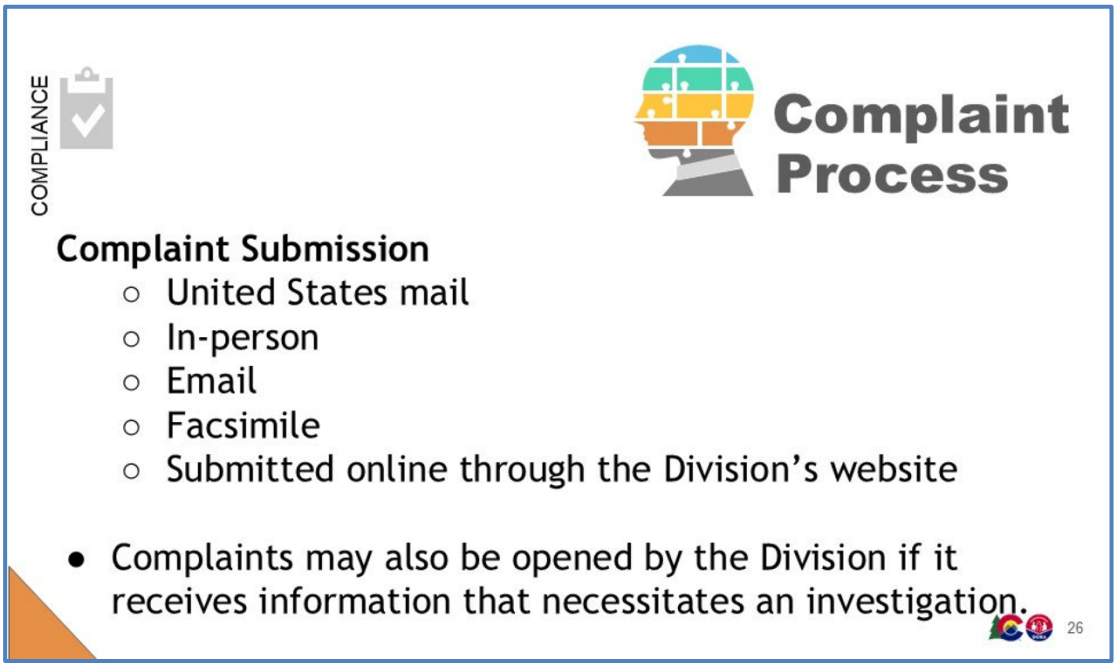
COMPLIANCE

Transaction Files

- CREC Rule 5.21-Production of Documents
- CREC Rule 6.20-Transaction File Requirements
- CREC Rules: Chapter 4-Continuing Education
- Commission's Transaction File Checklist: https://dre.colorado.gov/transaction-file-requirements-and

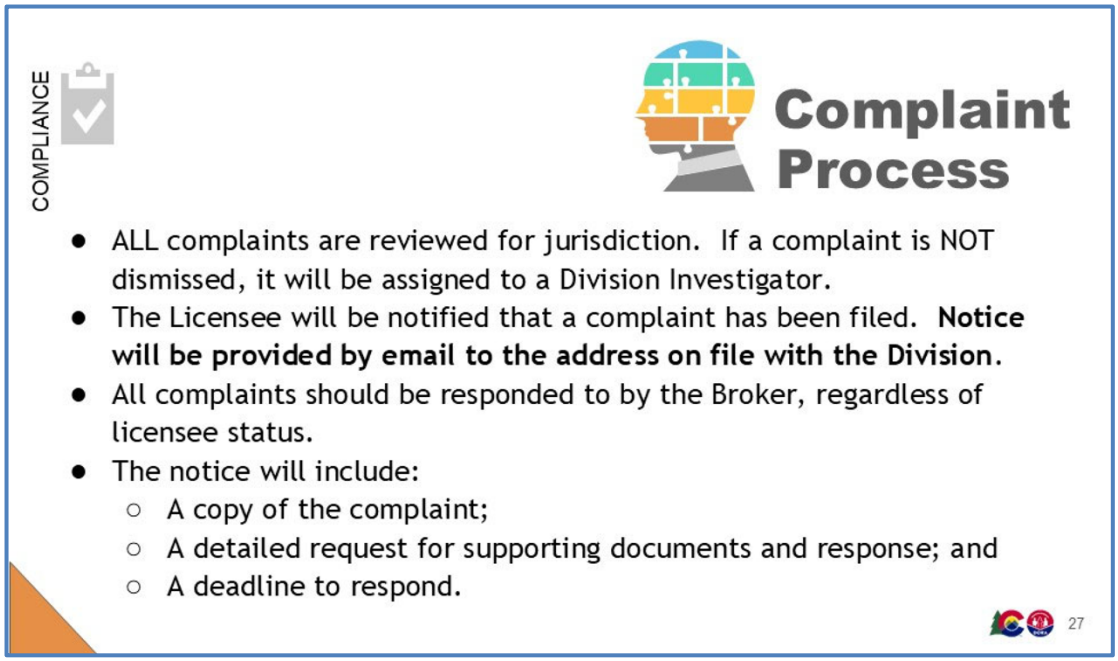
25

Complaint Process



The Division has simplified the complaint process because it is important to ensure that any licensee or any member of the public can file a complaint. The Division can accept complaints by US mail, in-person, by email, by facsimile, or through the online website.

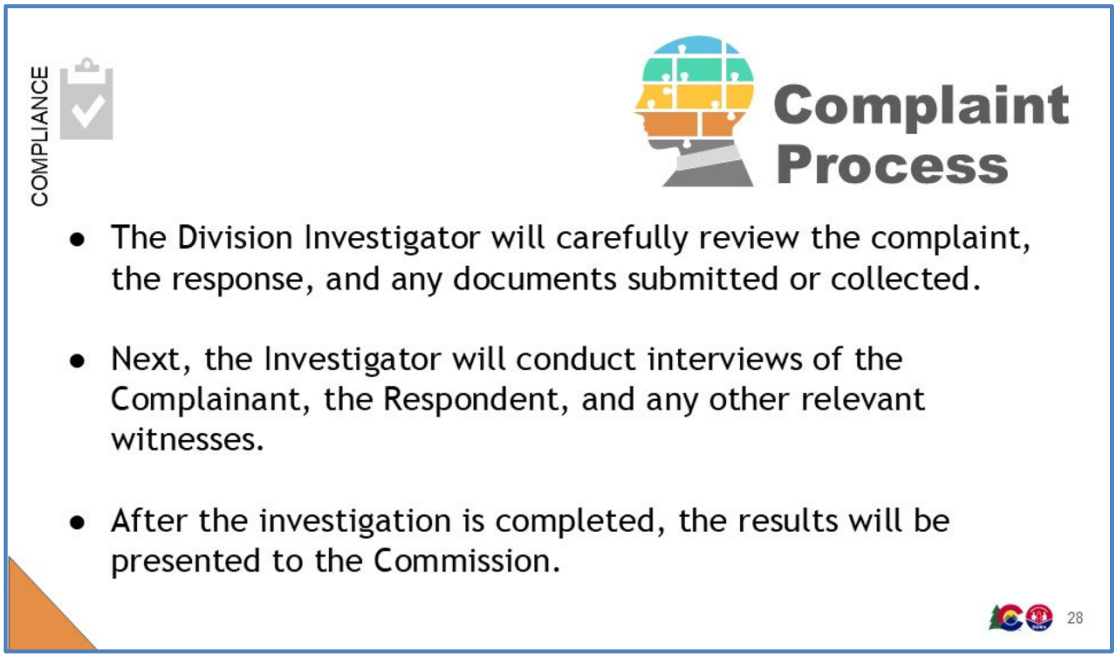
In addition to complaints being submitted by licensees or the public, complaints can also be opened by the Division.



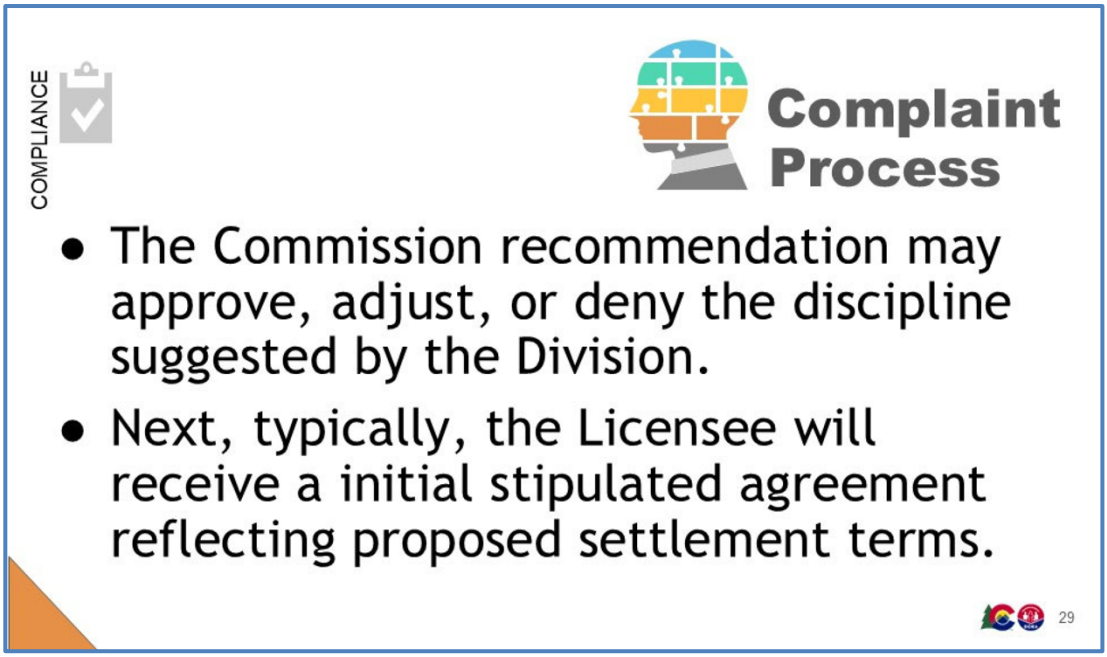
In some cases, the complaint is dismissed due to the alleged actions being outside of the jurisdiction of the Commission. When a complaint is not dismissed, it will be assigned to a Division investigator, and the licensee will be notified **and given an opportunity to respond**. It is important that all licensees understand that notice will be provided by email to the address on file in the licensing management program. **Licensees should always ensure that their email address is up to date and current**.

Notice to the licensee, also called a Respondent, will include:

1. A copy of the complaint.
2. A detailed request for supporting documents and a narrative response.
3. A deadline to respond. Note that communication with Division investigators is imperative. Failure to respond is an additional charge should the Commission move forward with disciplinary action.

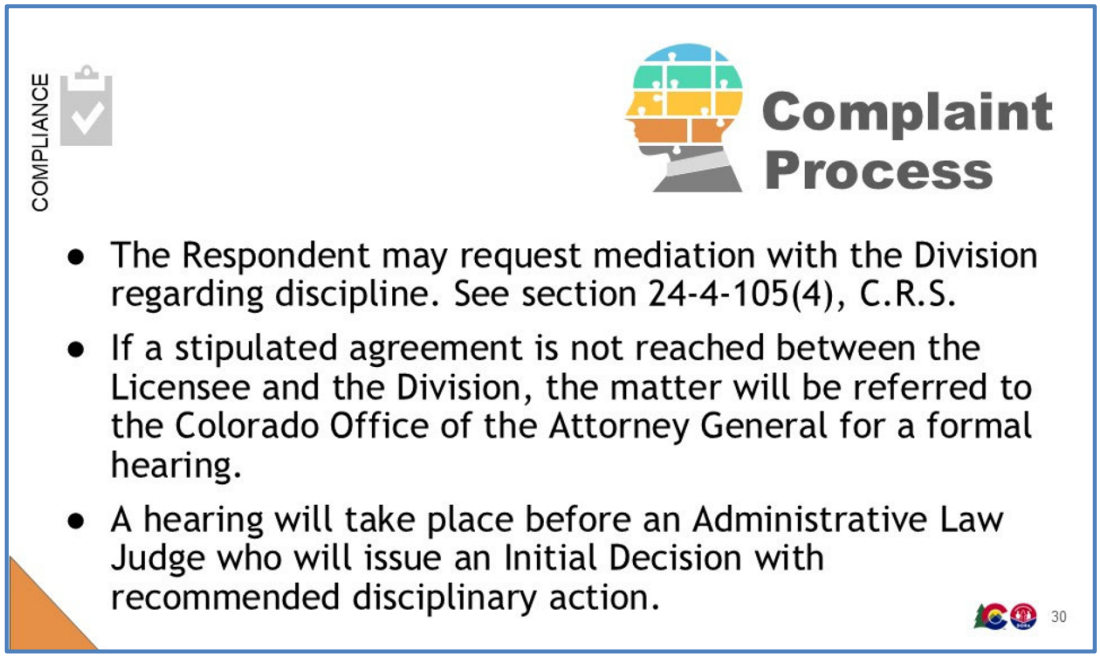


Upon completion of the investigation, results will be presented to the Commission at an open meeting. Names are not used, and the Commission will take reasonable steps to protect the confidentiality of the parties to the investigation.



The Division offers to the Commissioners discipline recommendations. These help to normalize discipline for similar actions across investigations, but Commissioners will look at the facts of each specific scenario and recommend discipline based on the facts and circumstances in each investigation.

After the Commission meeting, the file will be transferred to the Expedited Settlement Procedures ("ESP") program in the Division to prepare a Stipulation. The Stipulation will be delivered to the licensee. These stipulations are prepared in a manner consistent with the Commission's discipline.

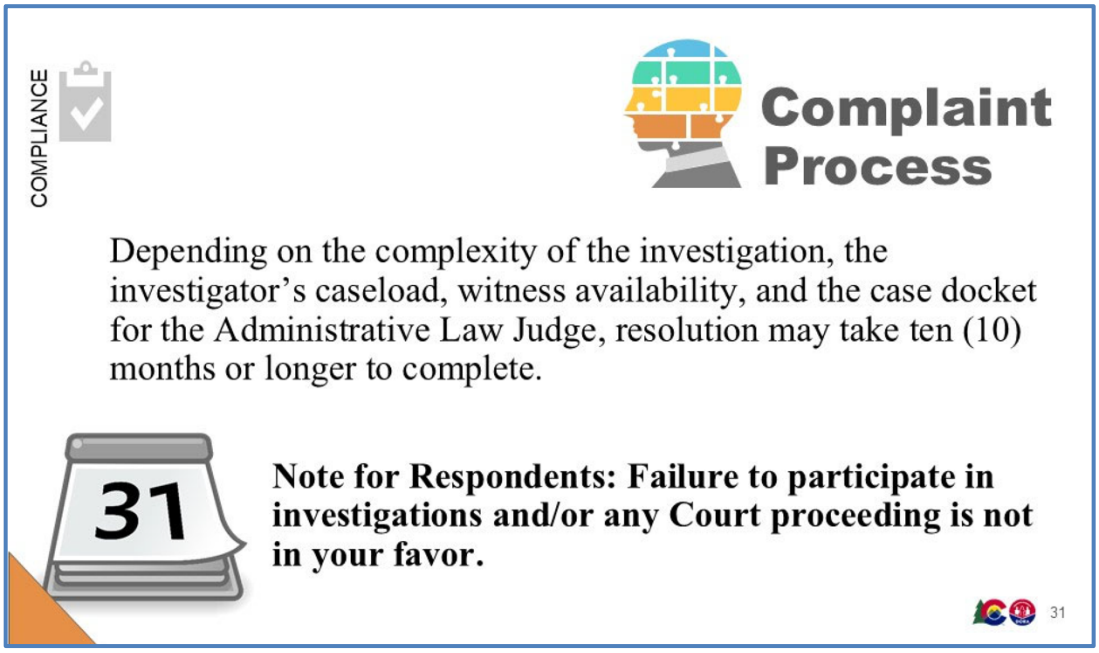


Agreeing to a stipulation is **voluntary**, but stipulations are generally faster, less expensive, and less severe than if the matter is referred to the Attorney General Office.

The Respondent is permitted to request mediation with the Division.

If the ESP program and Respondent cannot agree on stipulated terms, the Attorney Generals will take the case to an Administrative Law Judge ("ALJ") to obtain an Initial Decision. This process requires a formal evidentiary hearing in court.

If the court determines wrongdoing, the court will issue an order called an "Initial Decision." The Respondent can appeal the Initial Decision, if there are legal grounds for appeal. If no legal grounds exist for an appeal, the Commission will issue a Final Agency Order.



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Investigations vary in complexity, sometimes extremely.

It is important that brokers and the public, more generally, understand that resolution can take a long time.

For cases referred to the Office of the Attorney General, the process can take even longer. With filings, notices, scheduling, and setting a case for trial, resolutions can be even longer.

On average, cases that are referred to the AG's Office to be submitted to the Office of Administrative Law (OAC), is approximately 10 months. In some cases, however rare, the Division has seen cases take 24+ months.

2 General Practice Issues

Contract Terminations
Referral Business
Leasing Issues
Social Engineering
Data Security / CP-30
Post-Closing Occupancy Agreements
NAR Settlement
New Contracts and Forms

Contract Terminations

GENERAL PRACTICE

Contract Terminations

Practical Scenario

Broker listed a residence on 35 acres in Elbert County and quickly found a buyer. The parties entered into a contract and due diligence commenced.

On the day of the Mineral Rights Examination Deadline, Buyer received unfavorable information and messaged her Broker to terminate. Buyer's Broker immediately called the Listing Broker and left a voice message. The next day, Broker emailed the Notice to Terminate.

33

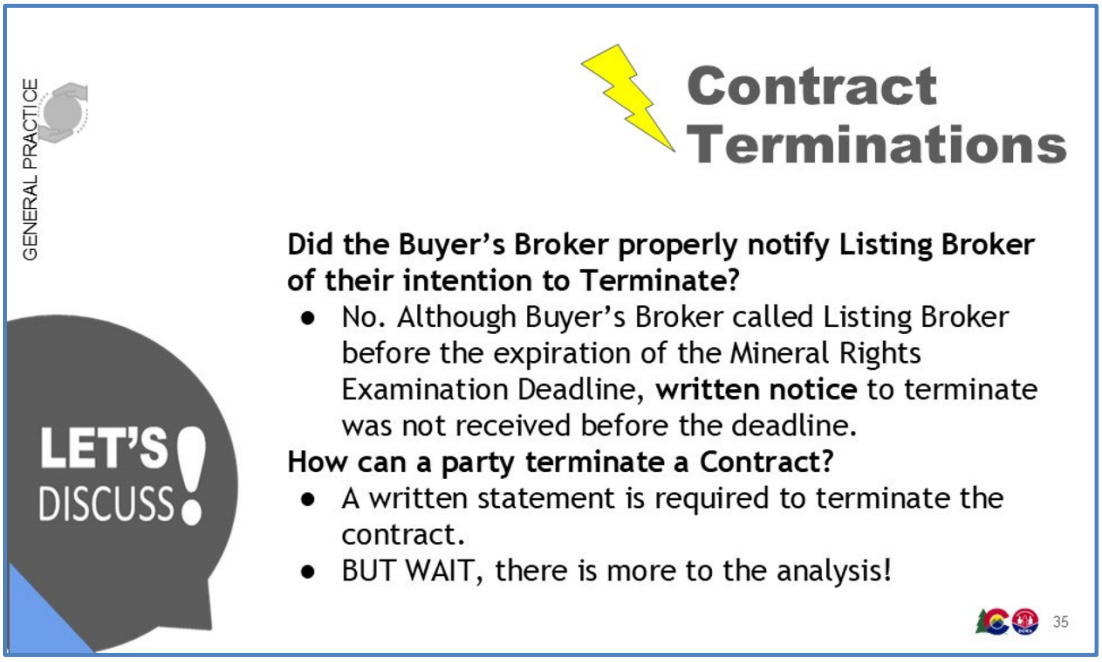
GENERAL PRACTICE

Contract Terminations

Questions

- Did the Buyer's Broker properly notify Listing Broker of their intention to Terminate?
- How can a party terminate a Contract?

34



1. Did the Buyer's Broker properly notify Listing Broker of their intention to Terminate?

No. In this scenario, Buyer's Broker was required to communicate in writing the Buyer's intention to terminate before the applicable deadline (Mineral Rights Examination Deadline). A Voice message before the deadline is likely not sufficient, even though it was followed up the next day with a writing.

2. How can a party terminate a Contract?

The legal standard requires that to terminate a contract, a written notice to terminate a contract is required.

Therefore, it is possible that a judge could rule that a contract is properly terminated as long as the notice was in writing. If a judge were to rule that way, the Buyer would likely get their earnest money back.

But that may not satisfy the Broker's License obligations.

AT THE SAME TIME, this is likely a violation of license law. Why?

The Commission has approved a Notice to Terminate form.

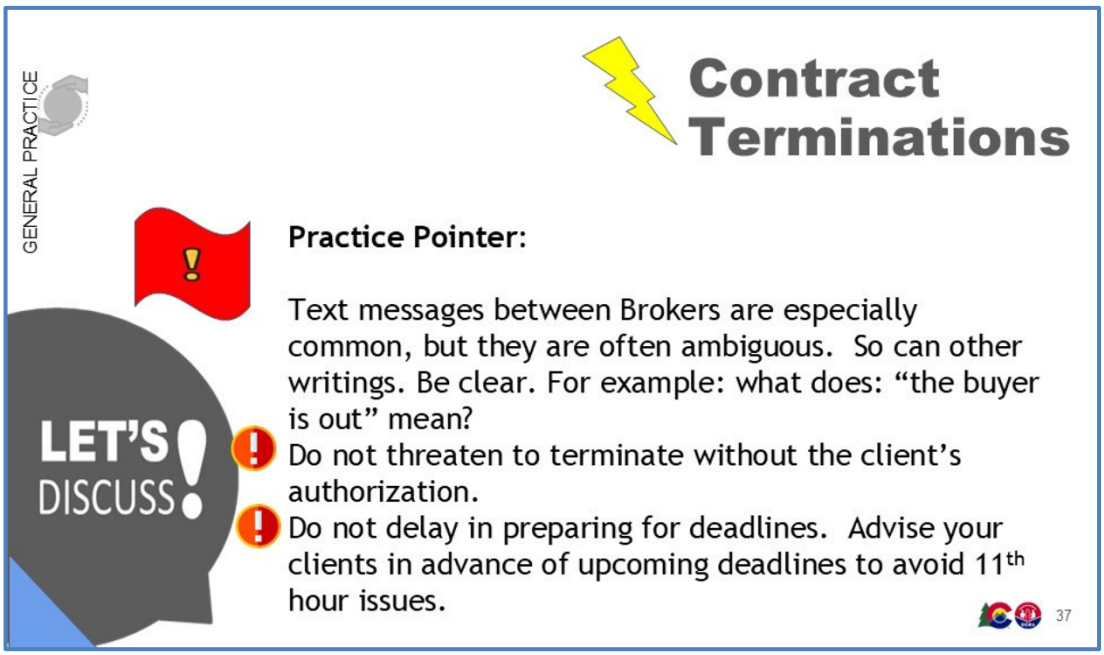
CREC Rule 7.1 requires the use of Commission-approved forms if such a form exists and it is appropriate for the transaction. It was most recently updated by the Commission for use after January 1, 2024. If a Broker is able to use the form, they must if the circumstances are appropriate.

It must be signed by the terminating party.

It must be delivered to the non-terminating party on or before the applicable deadline.

In this scenario, the Buyer's Broker delivered an intention to terminate the contract via voice message on or before the deadline, but did not deliver the Notice to Terminate

Use the form based on the circumstances.



Clear communication is imperative. Text messages can be especially ambiguous. Consider the language you use carefully.

The CREC form is clear.

Do not threaten to terminate without the client's authorization.

Do not delay in preparing for deadlines. Advise your clients in advance of upcoming deadlines to avoid 11th hour issues.

Referral Business

GENERAL PRACTICE

Referral Business

Practical Scenario

Broker has been working for 20 years and has not needed to advertise services for the better part of 10 years. 100% of her business is referral business.

Broker is deciding to retire soon, but wants to continue to earn some residual income.

39

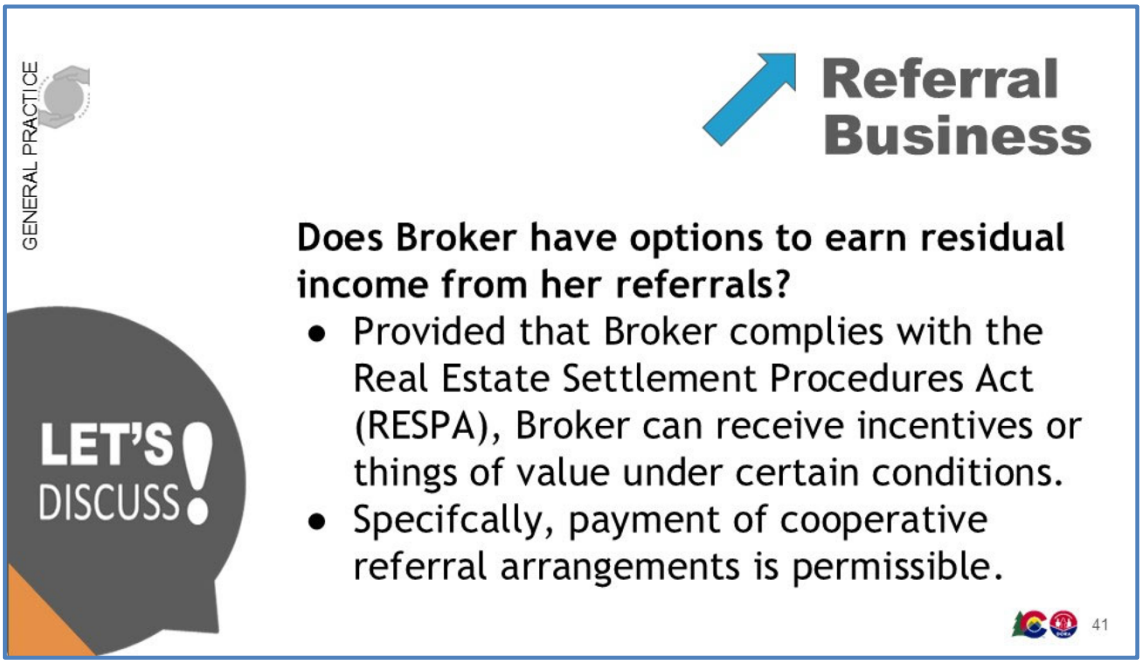
GENERAL PRACTICE

Referral Business

Questions

- Does Broker have options to earn residual income from her referrals?
- What does Broker have to do to earn referral income?
- Does referral business affect Broker's liability for transactions?

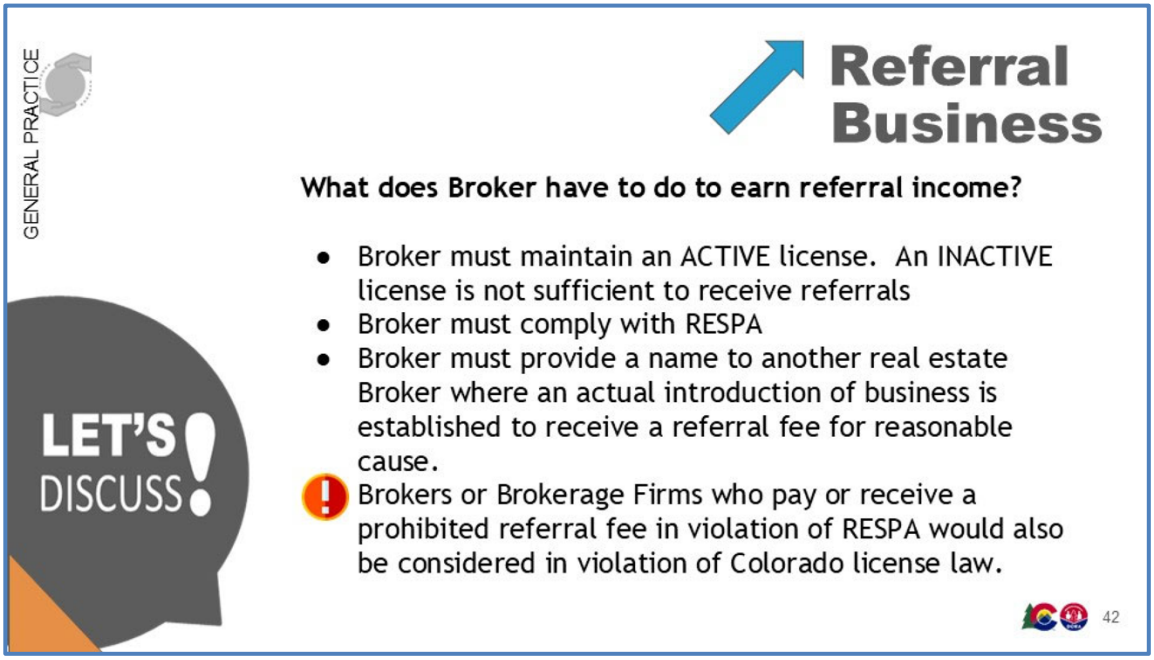
40



RESPA does permit:

- Payment to attorneys for services rendered,
- Payment to title companies for services performed,
- Payment to mortgage loan originators for services performed,
- Payment of salaries for services rendered,
- Payment of cooperative referral arrangements, or
- Promotional or educational activities that do not involve the defraying of expense that would otherwise be incurred.

The relevant exception in this scenario is: Payment of cooperative referral arrangements.

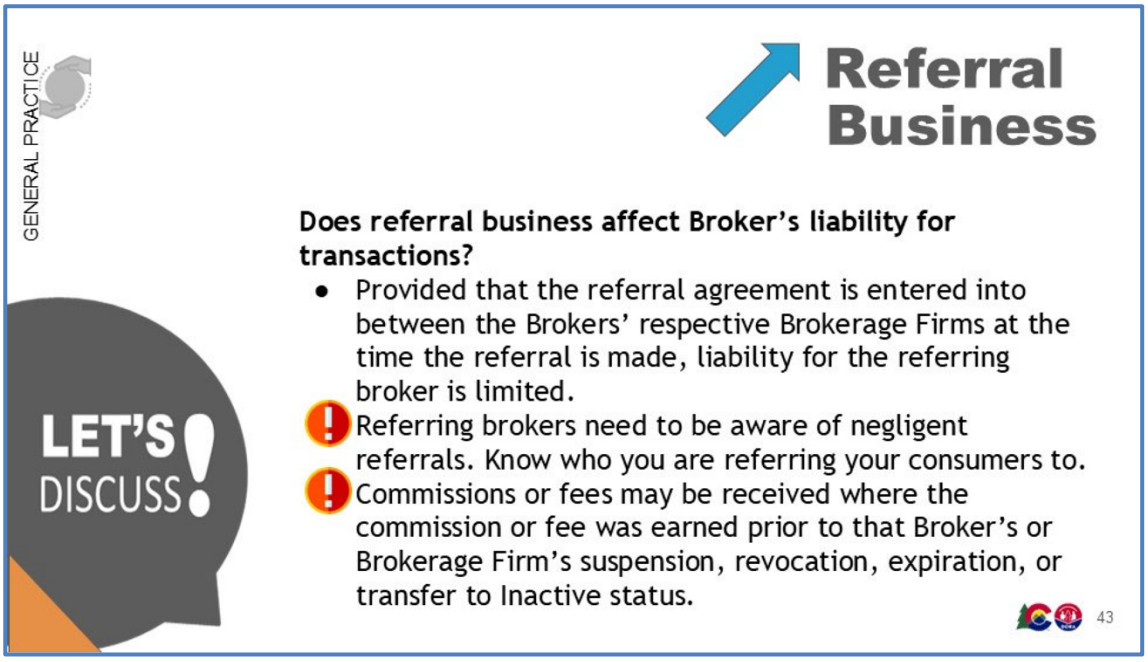


RESPA is a federal law.

RESPA applies to transactions involving federally related residential mortgage transactions. Federally related mortgage loans include:

- Deposits are insured by an agency of the federal government,
- HUD insured or VA guaranteed,
- Intended to be sold to FNMA, and
- Loans made by "creditors"

Although payment to an unlicensed person or real estate Broker with an Inactive or Expired license is not specifically addressed in the Colorado Real Estate Practice Act, RESPA Section 8 prohibits giving any incentive or things of value to an unlicensed individual in exchange for the referral of business to a real estate Broker or other settlement service provider. Therefore, the Commission views such activity as a possible violation unless the individual receiving the referral had an Active license at the time of making the referral.

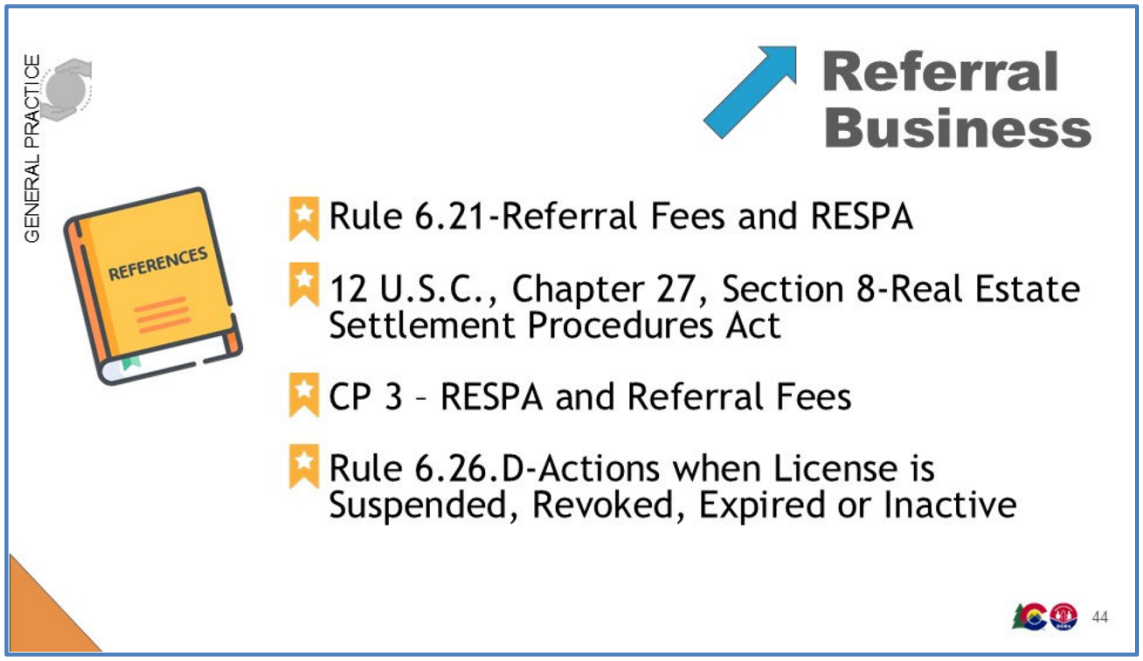


The Division has received numerous requests for information from Brokers on how to limit their liability.

Commissions or fees may be received by a Broker or Brokerage Firm only for transactions where the commission or fee was earned prior to that Broker's or Brokerage Firm's suspension, revocation, expiration, or transfer to Inactive status. See CREC Rule 6.26.D.

Due to market changes, Brokers might look for alternative revenue streams. Some larger brokerages have set up secondary referral brokerages to accommodate Brokers looking to capitalize on their book of business.

Generally, the referring broker reduces broker's liability when properly entering into a referral agreement. The broker should always be cognizant of responsibly referring their business to avoid potential liability for negligent referral.


GENERAL PRACTICE
Referral Business
REFERENCES
Rule 6.21-Referral Fees and RESPA
12 U.S.C., Chapter 27, Section 8-Real Estate Settlement Procedures Act
CP 3 – RESPA and Referral Fees
Rule 6.26.D-Actions when License is Suspended, Revoked, Expired or Inactive
44

Leasing Issues

Many laws and regulations apply to all residential rentals, therefore affecting property managers and landlords. This sub-section of the ACU is an overview of what (1) property managers, (2) brokers that lease their own properties, and (3) brokers that work with investors should know regarding recent changes to residential tenant laws.

GENERAL PRACTICE

Leasing Issues

Practical Scenario

Broker owns a four unit residential property that includes 10 parking spaces. Other people living on the block regularly park without authorization in the parking lot.

Broker has signage from an old towing company posted, and issued the towing company blanket authorization to tow when certain cars are parked in the lot.

46

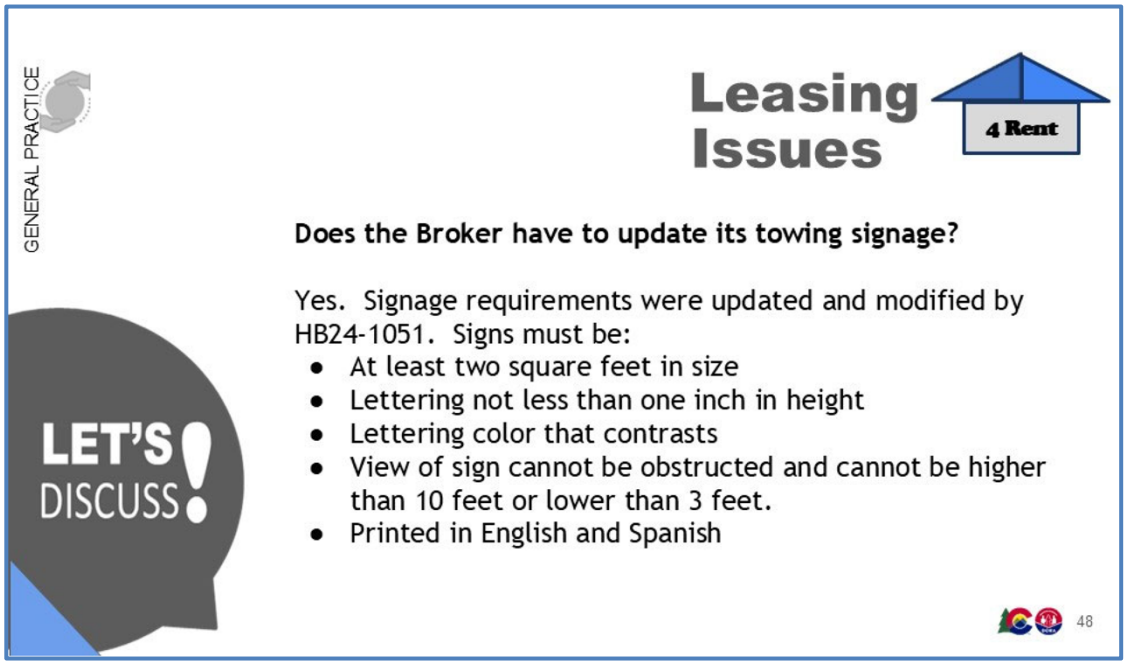
GENERAL PRACTICE

Leasing Issues

Questions

- Does the Broker have to update its towing signage?
- Can Broker give blanket permission to tow unauthorized vehicles?
- Can Broker have authorized cars with expired registration towed?

47



HB24-1051 updated the signage requirements in Colorado. It became effective August 6, 2024.

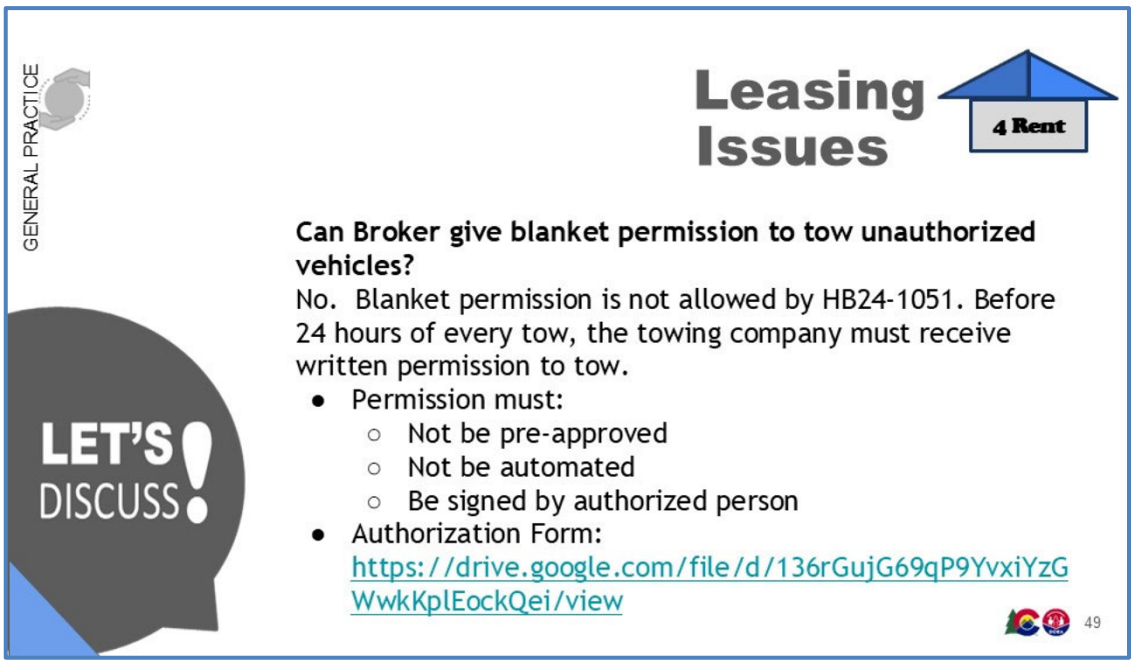
Technically, compliance with the bill for all signage is required for towing companies (towing carriers) who are contracted for towing on the properties. This means that the towing company is legally responsible for updating their signs, but property managers and landlords should be aware of the requirements. If the towing carrier is not in compliance with the law, issues can and will arise for the owner and property manager.

Signage requirements are specifically set out in the new law. Signage must:

- Not be less than two square feet in size
- Have lettering not less than one inch in height
- Have lettering that contrasts sharply in color with the background of the sign and contrasts sharply with the structure the signs are placed on
- Contain the following information in the following order:
    - The restriction or prohibition on parking
    - The times of the day and days that the restriction is applicable. If parking is restricted 24 hours a day, 7 days a week, the sign must say "Authorized Parking Only"
    - The name and telephone number of the towing carrier authorized to perform tows from the private property.

- Be printed in English and Spanish.
- Be permanently mounted both at the entrance to the private property facing outward toward the street and inside the private property facing the parking area.
- Not be obstructed from view or placed in a manner that prevents direct visibility.
- Not be placed higher than ten feet or lower than three feet from the surface closest to the sign's placement.

Some of these requirements fall squarely on the towing company, but others, like the placement and keeping the signage free from obstruction are important for owners and property managers to be aware of. If hanging signage in the winter, consider if the sign view will be unobstructed when trees and other plants come into bloom.

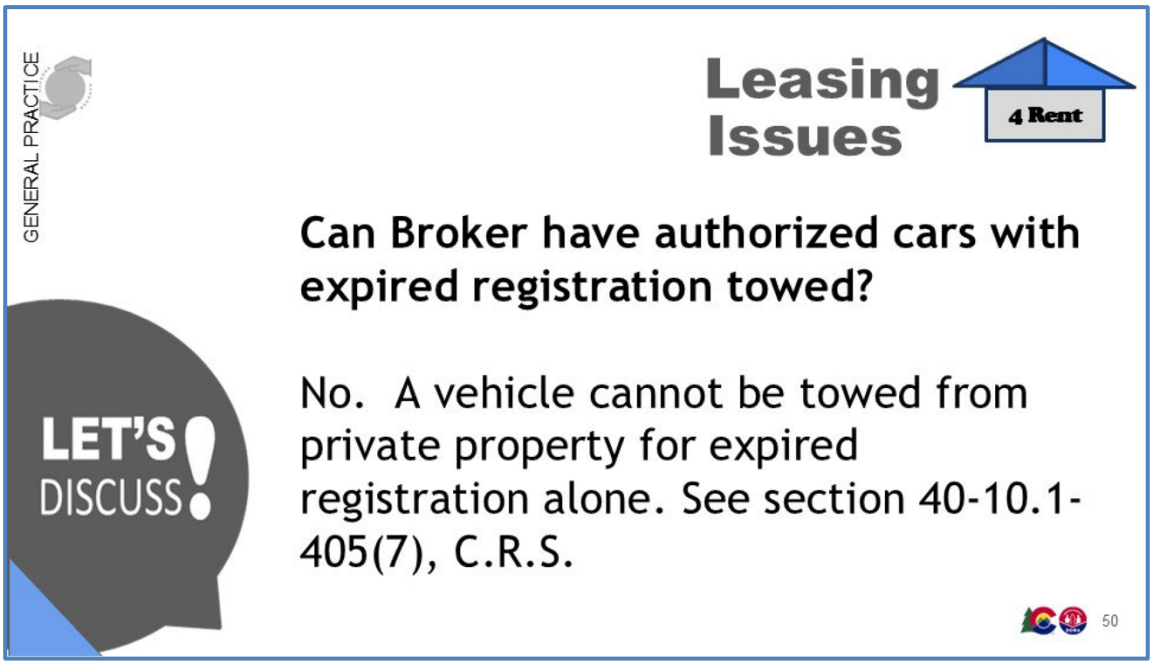


Prior to the passage of HB24-1051, HOAs, apartment complexes, and owners commonly issued blanket authorization so that a towing company could, on their own accord or with a simple phone call, issue a notice and direct the towing company to tow a vehicle. This changed with the new law. Now, permission must be given to the towing company within 24 hours of each tow IN WRITING.

Towing carrier must receive documented permission, within 24 hours of tow, (not automated or preapproved) for each individual tow, from either:

- The owner or leaseholder of private property, unless the owner or leaseholder would earn income, then the towing carrier may authorize another towing carrier to perform the tow
- An employee of the owner, leaseholder, or property management company retained to collect rent and perform residential services. If an employee who has a financial interest in or relationship with the towing carrier or that earns income from the tow they are not allowed to not grant permission to authorize the tow.

The law goes to a great extent to make clear that no one with a financial conflict of interest may execute the authorization form.



The Division (and the HOA Information & Resource Center) are regularly asked questions about when towing is permitted from private property. In particular, a common theme is vehicles with expired registration. In 2022, HB22-1314 was passed. This bill has been discussed in previous ACUs, but in short, it was a significant overhaul of the towing company laws in Colorado. This bill expressly prohibited a property owner or property manager from authorizing the towing of a vehicle solely because of an expired registration (UNLESS the tow is at the direction of a Peace Officer).

GENERAL PRACTICE

Leasing Issues

4 Rent

Practical Scenario

Broker manages 250 doors in a college community. The owner of the complex prefers to rent to students because students have a better history of paying rent because they have access to financial aid and family support. Owner directs Broker to not renew leases if the tenants are no longer students.

51

GENERAL PRACTICE

Leasing Issues

4 Rent

Questions

- What is no-fault eviction?
- What notice is required to terminate a lease or refuse to renew for a no-fault eviction?
- Can Broker refuse to renew tenants' leases?

52

With certain conditions, the following additional scenarios constitute grounds for a no-fault eviction of a tenant:

(1) Demolition or conversion of residential premises to a short-term rental property.

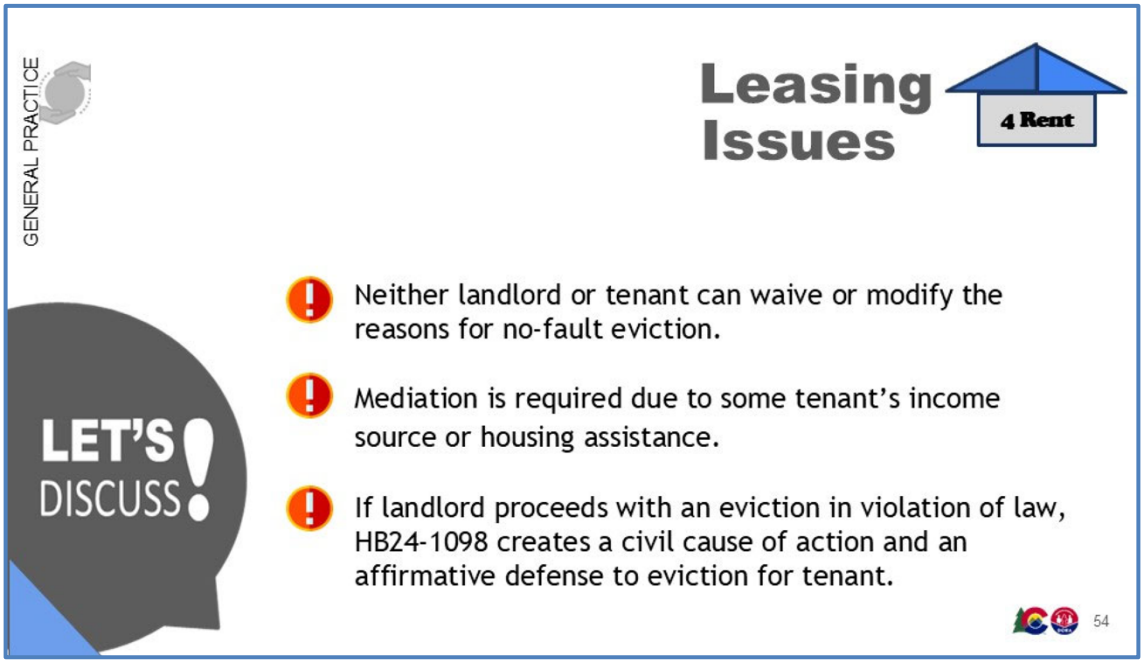
(2) Substantial repairs or renovations.

(3) The landlord or a family member of the landlord assumes occupancy within 3 months after the tenant vacates the premises.

(4) Withdrawal from rental market for the purpose of selling the residential premises.

(5) The tenant refuses to sign a new lease with reasonable terms.

(6) The tenant has a history of nonpayment of rent or late payment more than 2 times.

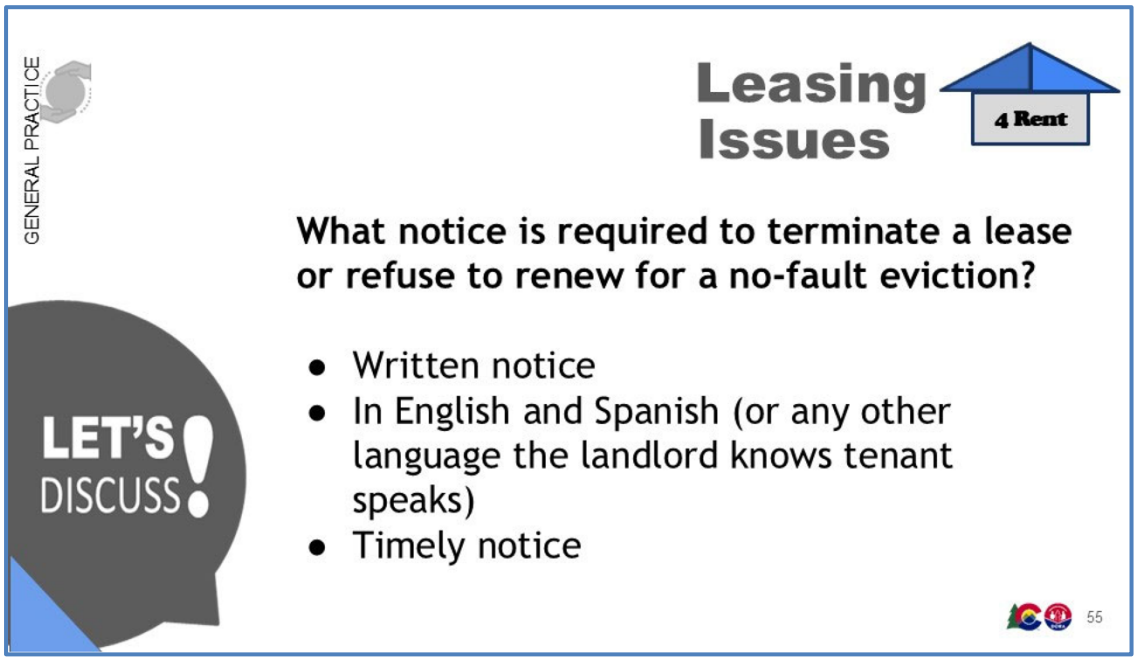


IMPORTANT: During the negotiation of a lease or rental agreement, landlord and tenant may not waive or modify the provisions set forth in this law. Any effort to do so is void and unenforceable.

IMPORTANT: Is Mediation Required? If the tenant receives supplemental security income, social security disability insurance, or cash assistance through the Colorado works program, the notice MUST also include a statement that the tenant has the right to mediation prior to the landlord filing an eviction complaint.

IMPORTANT: If a landlord proceeds with an eviction in violation of the law, the tenant may seek relief as described in section 38-12-510, C.R.S. Similarly, if a landlord does not comply with the law, the tenant may assert the landlord's failure to do so as an affirmative defense in the eviction proceeding and the Court can dismiss the eviction proceeding.

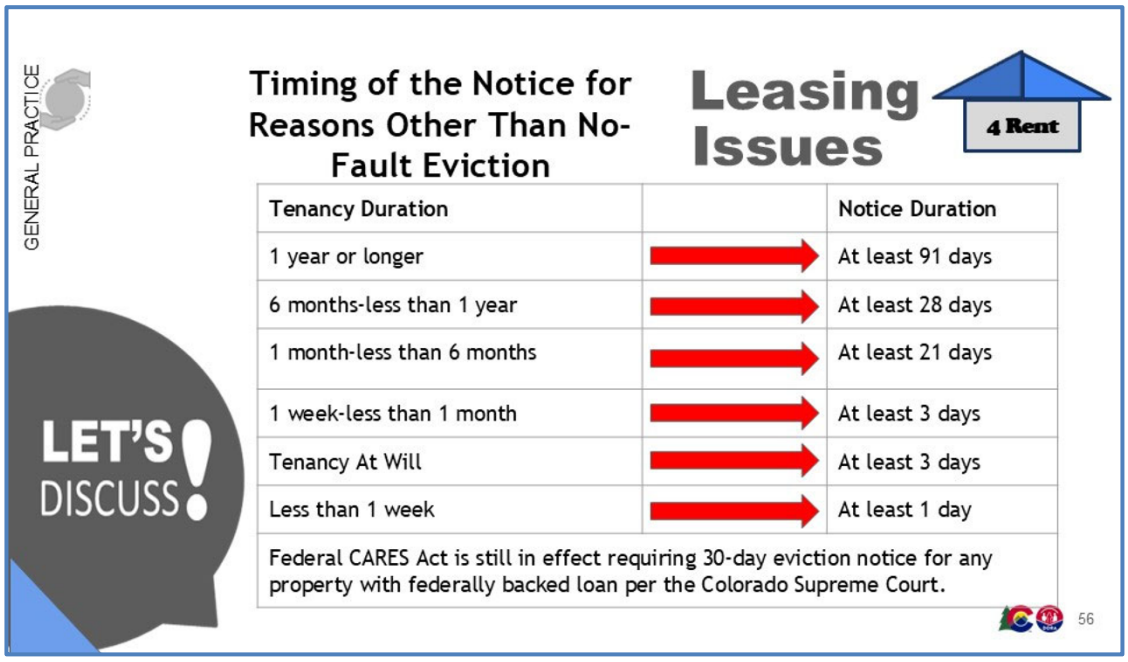
Overall, the law demonstrates that any efforts to circumvent the requirements of the law are quite problematic. An example is that the landlord cannot increase tenant's rent in a discriminatory, retaliatory, or unconscionable manner to circumvent the requirements.



1. A written notice is required, and it must include a statement of the legal and factual basis for the landlord's no-fault eviction.

2. Language: A demand or notice must be written in the primary language of the tenant (English, Spanish, or any other language that the landlord knows or has reason to know is spoken by the tenant).

3. Timeliness: In the case of a periodic tenancy, written notices to terminate the tenancy may be provided by the landlord before the end of the period or fixed term. The notice must describe the property, the particular date when the tenancy will terminate, and be signed.



The timing of the notice is also imperative. Timing requirements are as follows for No Fault Eviction:

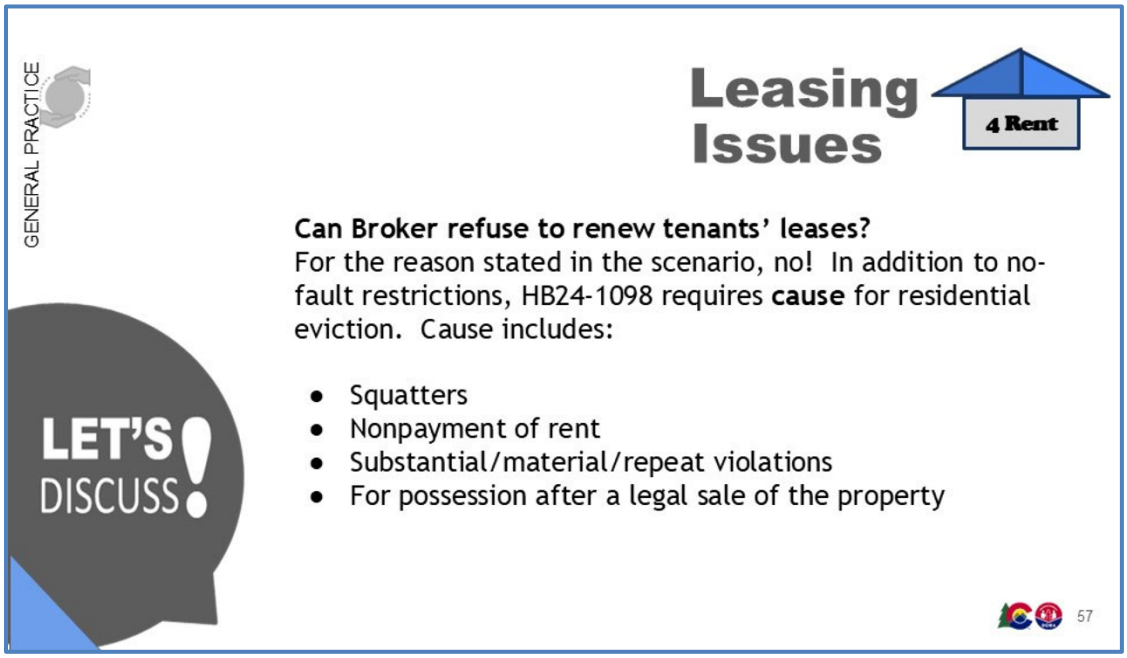
(1) Demolition or substantial repair or renovation: 90 days.
(2) Owner or owner's family moving back in: 90 days or 45 days if the landlord is active military duty or spouse.
(3) Selling the property: 90 days.
(4) Refusal to sign a reasonable new lease: 90 days
(5) Late payments at least 3 times during lease term: 90 days

For Reasons Other Than No Faut Eviction:

1) For a tenancy for one year or longer, at least 91 days
2) For a tenancy of 6 months or longer, but less than a year, at least 28 days
3) For a tenancy of 1 month or longer but less than 6 months, at least 21 days
4) For a tenancy of 1 week or longer but less than 1 month, at least 3 days
5) For a tenancy at will, at least 3 days
6) For a tenancy for less than 1 week, at least 1 day

Finally, the notifications required by section 38-33-112 do not permit a landlord from terminating a lease prior to the expiration without the consent of both the tenant and the landlord. In the case that the lease term is set to expire less than ninety days from the date of notification or if there is no written lease, a tenancy may not be terminated less than 90 days after the date of the notice. The act states that return receipt is evidence of the date and evidence of receipt of the notice.

As discussed in the 2024 ACU, the Federal CARES Act is still in effect requiring 30-day eviction notice for any property with federally backed loan per the Colorado Supreme Court.



Prior to the passage of HB24-1098, landlords, property owners, and property managers had additional options to refuse to renew tenants' leases. After the passage and effective date of April 19, 2024, acceptable non-renewal options are limited to No-Fault evictions and CAUSE:

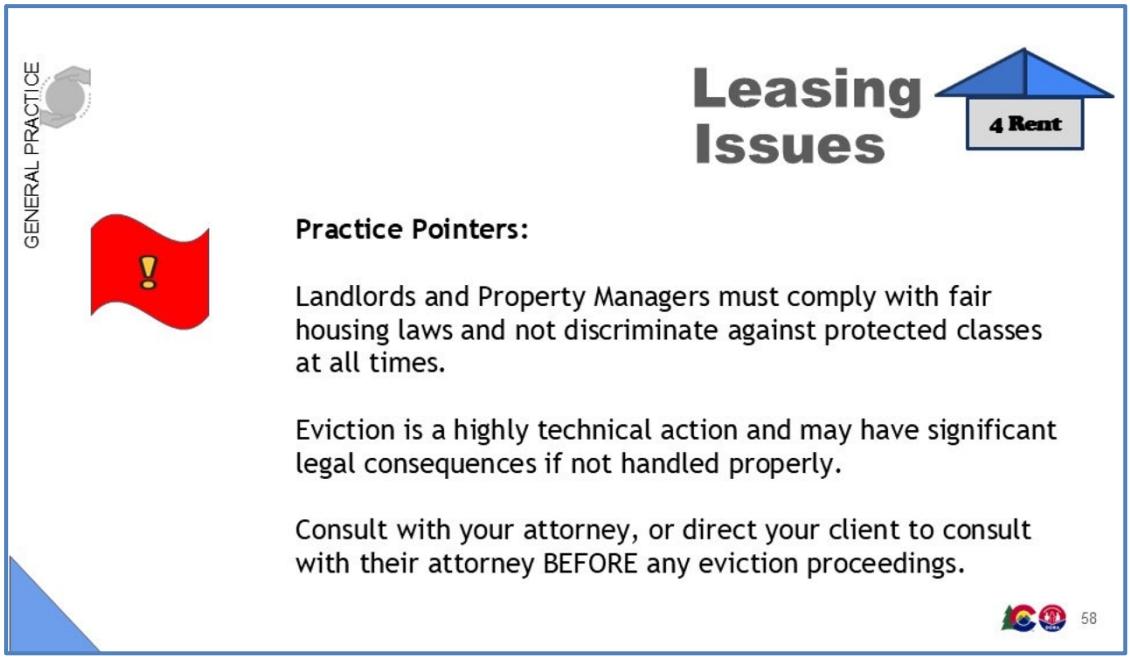
1. Squatters-when persons or people are residing in the property without permission.

2. Nonpayment of Rent-failure to pay rent and failure to cure non-payment of rent upon demand in accordance with the lease. This includes:

    a. When a tenant has engaged in conduct that creates a nuisance or disturbance that interferes with the quiet enjoyment of the landlord or other tenants at the property or when the tenant is negligently damaging the property

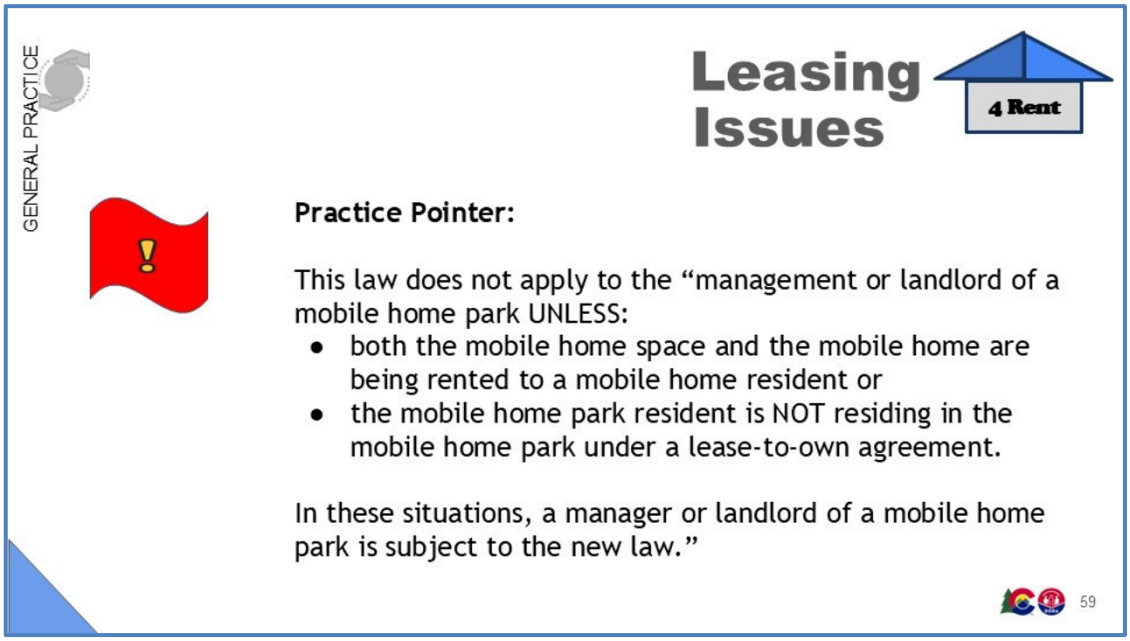
3. Substantial Violations and Material Violations and Repeat Violations: Violations that are likely to cause substantial or material damage to the premises, or a failure by the tenant to stop a violation after being provided proper notice of a violation.

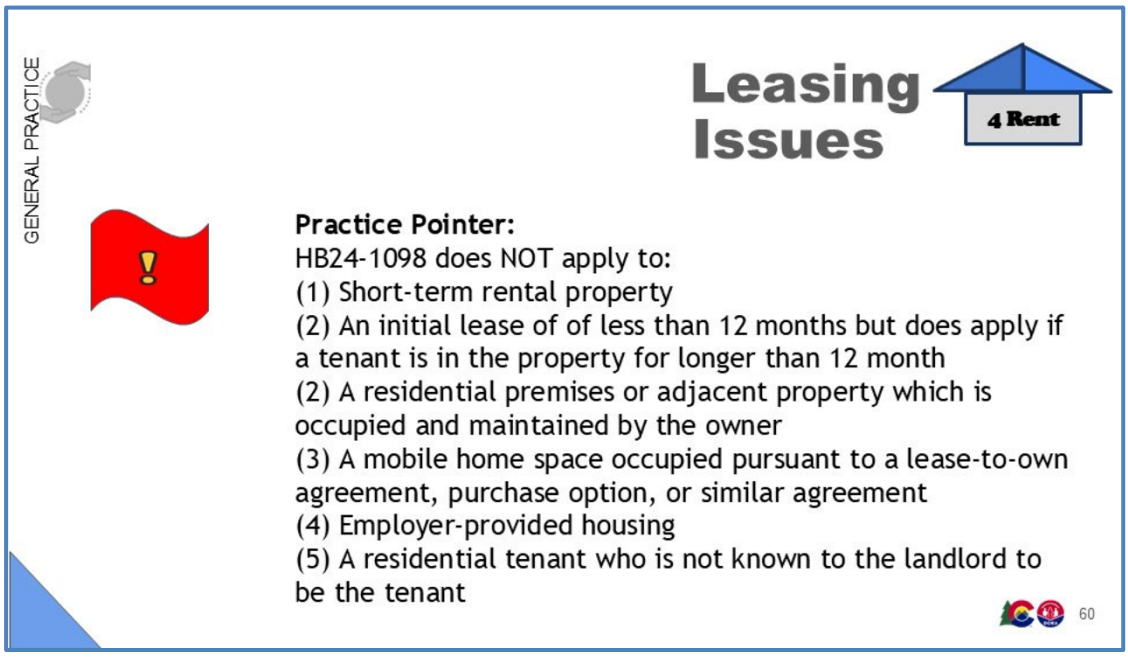
4. For Possession After a legal sale of the property: If an owner closes a legal sale of a property, the new owner is permitted to not renew a lease. This includes when a property has been sold under a judgment or decree and the party to the judgment or decree refuse or neglect to surrender possession; when an heir or devisee continues in possession in possession after the property is sold; or when a seller (or vendee) holds over after failing to comply with an agreement to purchase lands or tenements



Practice Pointer: Landlords and Property Managers must comply with fair housing laws and not discriminate against protected classes.

HB24-1098 creates significant and numerous opportunities for a property owner, property manager, or landlord to run afoul with the law. If you are the landlord or the owner, you should consult with legal counsel. If you are the property manager, you should direct your client to consult with legal counsel. Any recommendation should be made in writing. Such consultation should be made PRIOR to the initiation of any eviction proceedings.





The new law also does NOT apply to:

- Short-term rental property.
- A residential tenant of less than 12 months HOWEVER, if Tenant is in the property for longer than 12 months, HB24-1098 does apply.
- A residential premises or adjacent property occupied and maintained by the owner: **NOTE**: For this, the residential premises must be
    1. a single-family home, with or without an accessory dwelling unit on the same lot,
    2. a duplex,
    3. a triplex, or
    4. NOT be a multifamily property of four or more dwelling units.
- A mobile home space occupied pursuant to a lease-to-own agreement, purchase option, or similar agreement.
- A residential premises leased pursuant to an employer-provided housing agreement.
- A residential tenant who is not known to the landlord to be the tenant.

GENERAL PRACTICE

Leasing Issues

Practical Scenario

Broker manages a series of row homes. After a bad traffic accident, Tenant is permanently disabled, requiring use of a wheelchair. Tenant requests that a ramp be installed to access the unit. Due to medical bills, tenant stated that he cannot afford to pay the cost of installation.

61

GENERAL PRACTICE

Leasing Issues

Questions

- Can tenant require the owner to install a ramp?
- If tenant cannot afford the installation, is the landlord responsible?
- When tenant ends the lease, can the ramp be removed?

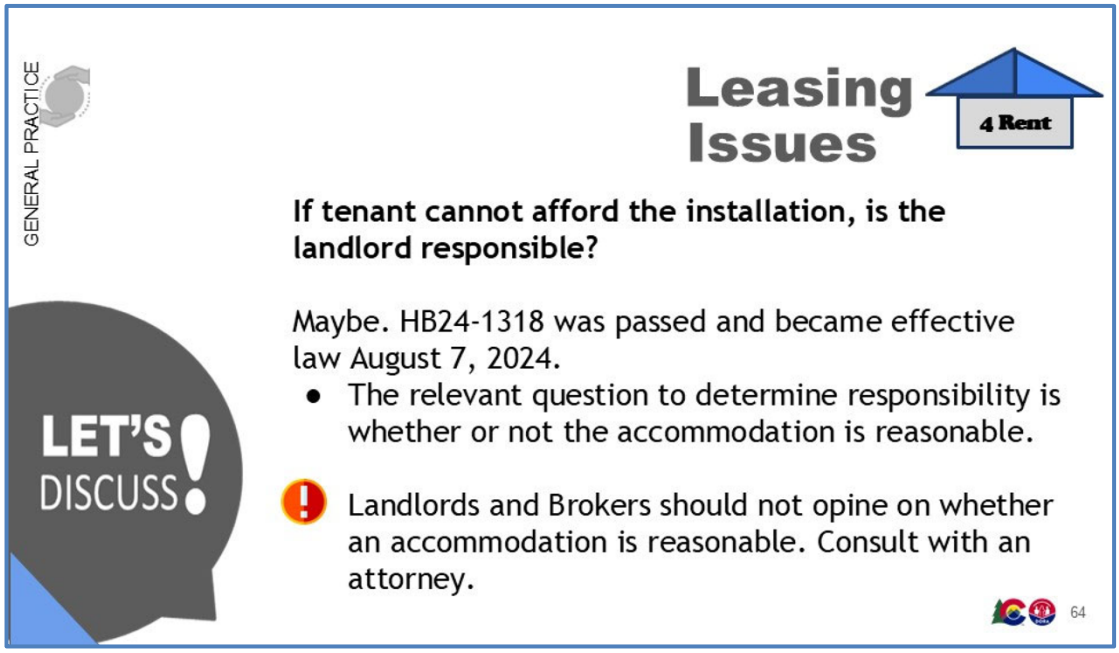
62

Can tenant require the owner to install a ramp?

Yes. Landlords, property owners, and property managers may not discriminate against any disability. Since Colorado law requires that tenants are entitled to the full enjoyment of the premises, reasonable accommodations must be made to allow the tenant to do so.

Reasonable Accommodation: Under the Fair Housing Act, a Reasonable Accommodation or Reasonable Modification is a structural change made to existing premises, occupied or to be occupied by a person with a disability, in order to afford such person full enjoyment of the premises. Common examples used by HUD are the installation of grab bars in a shower/bath, **installation of a ramp**, and lowering the entry threshold of a unit. It is important to understand that these changes can include modifications that may be structural.

Discussion: What if the property is in a Common Interest Community? The requirements to address the request are no different, however the process may be more involved. In the case of a Common Interest Community (an HOA, POA, Condominium Association, Cooperative, etc.), the property owner is usually required to obtain authorization from the Common Interest Community Board. This is usually satisfied by submitting a Architectural Review Application. The application should not be denied by the Board, however, the Board is allowed to make reasonable changes to comply with any aesthetic or design guidelines for the community.



If tenant cannot afford the installation, is the landlord responsible?

For clarity, the tenant's ability to pay is not relevant.

Prior to the passage of HB24-1318, property owners, landlords and property managers were permitted to **require** tenants making requests for reasonable accommodations, to pay for them out of their own pocket. HB24-1318, which became effective August 7, 2024, removed that requirement and NOW, the law does not expressly define what party is responsible for the costs associated with the reasonable accommodation. If tenant does not pay, landlord may be required to pay for an accommodation if the reasonable modification. What is made clear by HB24-1318 is that the installation must take place if it is a reasonable accommodation.

Brokers and Landlords should not make a decision on whether an accommodation is a reasonable one or not. All landlords, property owners, and property managers should consult with a licensed Colorado attorney to determine how to approach reasonableness and responsibility for payment. Ultimately, only a judge can determine what is reasonable.

When tenant ends the lease, can the ramp be removed?

HB24-1318 removed language from section 24-34-502.2, C.R.S. which previously allowed the landlord to condition approval of the reasonable accommodation on the tenant's willingness to remove and pay for the removal of the accommodation. Now that this language is removed from the statute, the landlord is prohibited from conditioning the removal and payment for the removal on the approval.

To determine payment of costs for removal, like the costs for installation, the landlord, property owner, and property manager should consult with a Colorado attorney.

If the landlord wishes to remove the ramp after the lease has terminated, landlord may do so, however, the landlord should carefully consider the effect that such removal would have on the value, marketability, and desirability of the property going forward.

GENERAL PRACTICE

Leasing Issues

4 Rent

Practical Scenario

Broker is a property manager for 100 properties in a mountain community that were built in 1988 during Phase 1 of the community and do not have central air conditioning, but do have window air conditioning units. After a recent wildfire, many of the window units stopped operating and the weather forecast for next week is above 90 degrees for several days. Broker just received a letter from tenants to repair the A/C units.

66

GENERAL PRACTICE

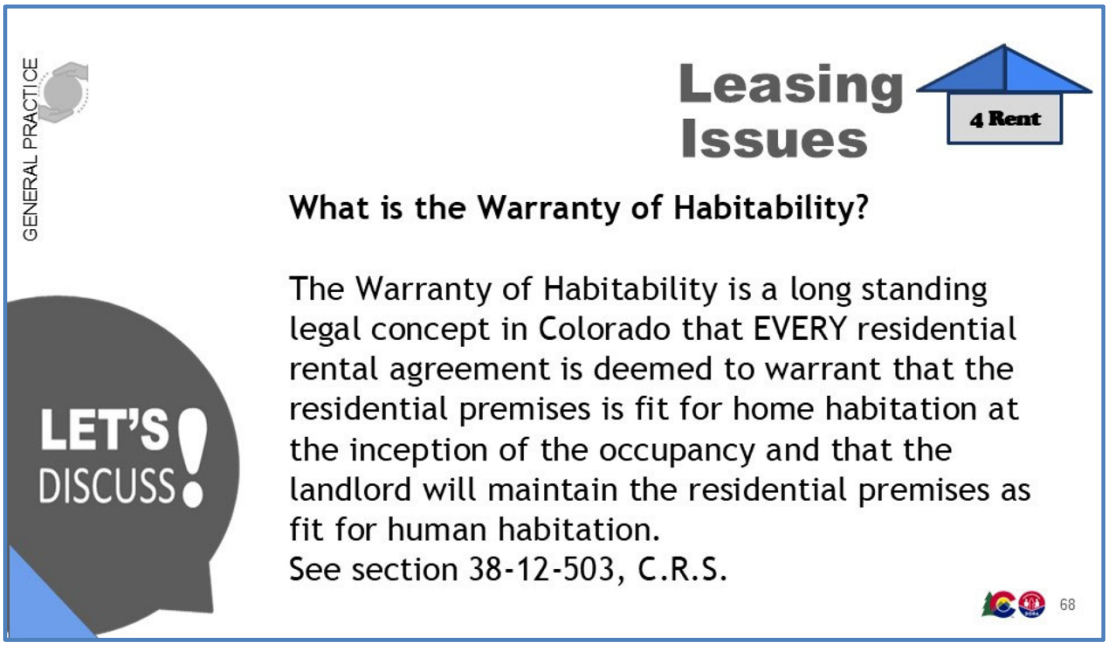
Leasing Issues

4 Rent

Questions

- What is the Warranty of Habitability and does it apply to A/C Units?
- After notice from the tenants, Broker orders new units which will arrive in 3 weeks. What do the Broker and Landlord do in the meantime?
- Can tenants withhold rent until the repairs are complete?

67

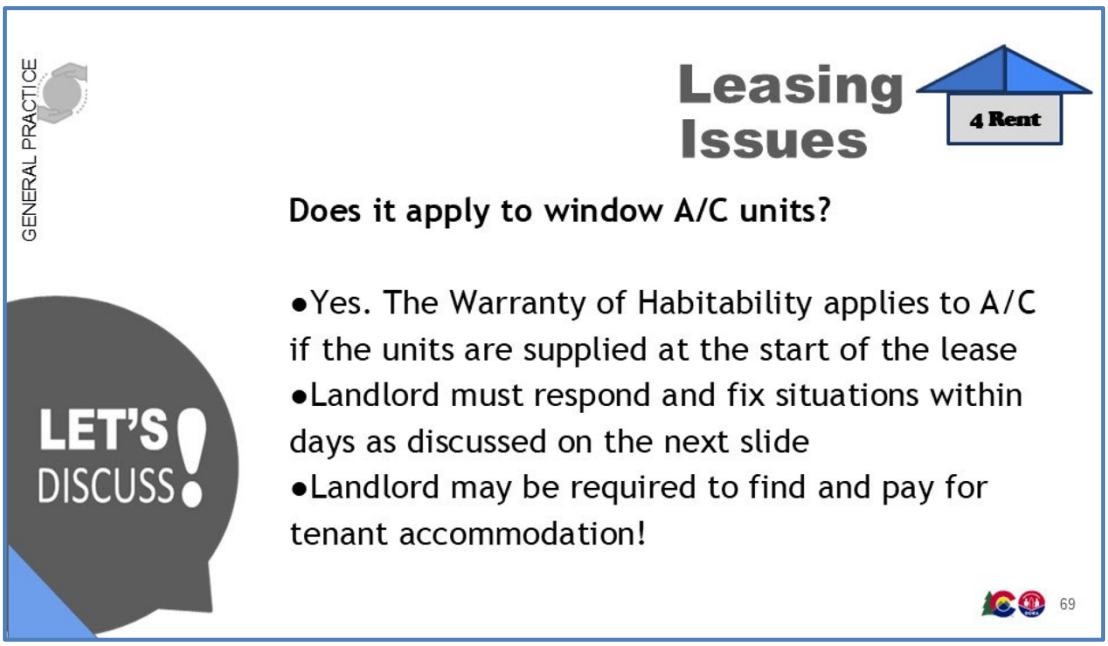


What is the Warranty of Habitability?

The Warranty of Habitability states that EVERY residential rental agreement is deemed to warrant that the residential premises is fit for home habitation at the inception of the occupancy and that the landlord will maintain the residential premises as fit for human habitation throughout the duration of the lease agreement.

A landlord breaches the warranty of habitability if a residential premises is:

1. Uninhabitable as described in section 38-12-505 or
2. In a condition that materially interferes with the tenant's life, health, or safety and
3. The landlord has notice of the condition and
4. Has failed to commence remedial action after having notice



Does it apply to window A/C units?

SB24-098 became law on May 3, 2024. This law **expanded the definition** of the Warranty of Habitability in two ways:

1. To include air conditioning or other permanent cooling devices as an appliance.

2. To include an elevator when the tenant has a disability that prevents the tenant from being able to use the stairs to access the dwelling unit and there are no other operable elevators.

The Warranty of Habitability is breached if the premises is uninhabitable as defined in section 38-12-505, C.R.S. or a condition on or in the premises materially **interferes with the tenant's life, health, or safety** AND the landlord has notice of the condition.

1. Notice must be in writing to the landlord.

2. Upon notice to the landlord, landlord must commence remedial action within 24 hours where the condition materially interferes with the tenant's life, health, or safety, or 72 hours where the residential premises are otherwise uninhabitable.

3. Remedial action must be started as set forth above, but the condition must be remedied or repaired to completion within a reasonable time.

4. The tenant has the burden of establishing that a breach of the warranty of habitability has occurred.

5. A landlord must contact the tenant not more than 24 hours after receiving a notice and

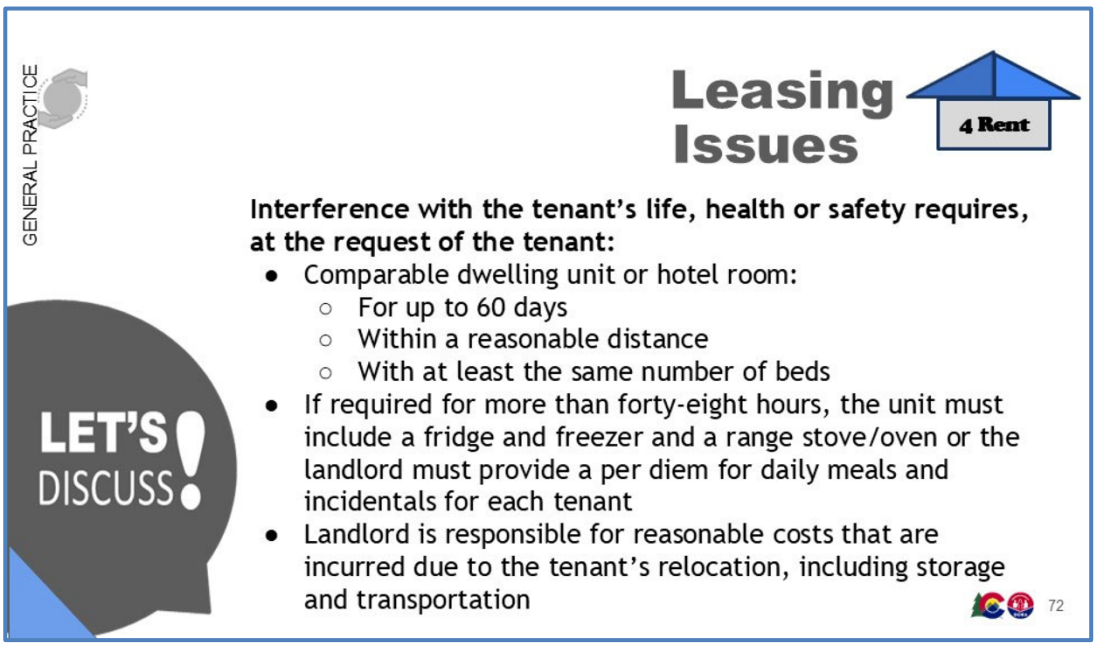
    a. Must indicate the landlord's intentions to remedy or repair the condition, including an estimate of when the action will start and finish.

    b. Inform the tenant of the landlord's responsibilities and obligations, including the obligation to provide a hotel or comparable unit.

    c. Provide at least 24 hours' notice of entry, EXCEPT in an event where the condition threatens an individual's life, health, or safety, or threatens to cause substantial and material damage to the premises.

Landlords have an obligation to get an inspection of the condition within 24 hours of receiving notice.

If certain situations, landlords may not want to conduct repairs resulting from the inspection. If such situations, property managers should consider documenting any advice given to the landlord. Commemorate the advice in writing.



When the condition materially **interferes with the tenant's life health, or safety**, remedial action must include the landlord providing the tenant, **at the request of the tenant** and within twenty-four hours after the request, a comparable dwelling unit, as selected by the landlord, at no cost to the tenant or a hotel room, as selected by the landlord, at no cost to the tenant.

NOTE: The replacement dwelling must include at least the same number of beds as there are used in the tenant's dwelling unit.

NOTE: If a tenant requires the comparable unit or hotel room for more than forty-eight hours, the unit or hotel must include a fridge with a freezer and a range stove or oven or the landlord must provide a per diem for daily meals and incidentals for each tenant in an amount that is at least equal to the CO state employee per diem for intrastate travel as established by the Department of Personnel.

NOTE: There are distance requirements and guidelines for the hotel or comparable unit. It cannot be located an unreasonable distance from the rental premises.

NOTE: Landlord is also responsible for reasonable costs that are incurred due to the tenant's relocation, including storage and transportation.

The landlord is required to provide the hotel for up to sixty consecutive days. The landlord is relieved of the obligation if the landlord determines that the condition at the property cannot be remedied or repaired within 60 days due to

circumstances outside the landlord's reasonable control and the landlord provides the tenant, at the earliest opportunity, written notice that specifies:

i. The condition cannot be remedied or repaired within 60 days.

ii. The date the landlord will no longer pay for the hotel.

iii. That the tenant may terminate their lease with no liability or penalty and.

iv. The landlord returns the tenant's full security deposit on or before the date required by the lease.

An essential tenet of the Colorado Warranty of Habitability is that **even while the premises are deemed uninhabitable**, the tenant must still continue to pay rent. Withholding of rent is not permitted by the tenant. This includes even while the tenant is staying in a hotel or other comparable unit.

Practice Pointer: As with many leasing issues, Warranty of Habitability issues are complicated and have important legal ramifications. Consult with a licensed Colorado attorney. Brokers must understand that warranty of habitability issues can expose the landlord and the Broker to liability. Before practicing in this area, take a comprehensive property management class.

Starting with every new residential rental lease executed between a landlord and a tenant, on or after January 1, 2025, 2 important disclosures are required in the rental agreement:

1. A statement in at least 12-point, bold-face type that states that every tenant is entitled to safe and healthy housing under Colorado's warranty of habitability and that a landlord is prohibited by law from retaliating against a tenant in any manner for reporting unsafe conditions in the tenant's residential premises, requesting repairs, or seeking to enjoy the tenant's right to safe and healthy housing.

2. A statement in English and Spanish in at least 12-point, bold-faced type that states an address where a tenant can mail or personally deliver written notice of an uninhabitable condition and an email address or accessible online tenant portal or platform where a tenant can deliver written notice of an uninhabitable condition.

The Commission does not have an approved residential lease form. If your lease form requires updating, consult with a Colorado attorney.

In addition, if a landlord provides a tenant with an online portal or platform, the landlord must post in a conspicuous place in the portal or platform a statement in English and Spanish that states an address where a tenant can mail or deliver written notice and an email or accessible online portal or platform where a tenant can deliver notice.

GENERAL PRACTICE

Leasing Issues

4 Rent

Practical Scenario

Broker is a property manager and has numerous landlords who have been clients for many years. Broker has always effectively disclosed all markups to his clients. Broker does not require tenants to use his repair services, but tenants do use Broker's services. Broker has not disclosed any fees or markups received from tenants to the landlord.

75

GENERAL PRACTICE

Leasing Issues

4 Rent

Questions

- Are markups to landlord allowed?
- Are markups to tenants allowed?
- Does Broker need to disclose tenant markups to the landlord?

76

GENERAL PRACTICE

Leasing Issues

4 Rent

Markups to Landlord Permitted?

Yes. Markups are permitted.

Markups to Tenant Permitted?

Markups for tenants are permitted but are limited to EITHER 2% of the amount the landlord is billed or $10.00, but not both, per month.

Disclosure Requirements?

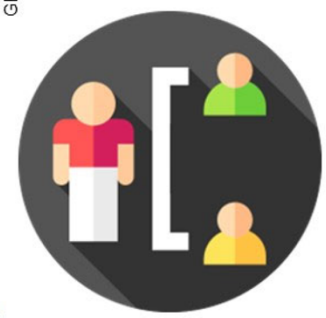
ALL compensation paid to Broker must be disclosed to all parties, including customers, even if paid by tenant. Brokers and Brokerage firms must obtain prior written consent from the consumer to assess or receive markups or other compensation. CREC Rule 5.17.

77

GENERAL PRACTICE

Leasing Issues

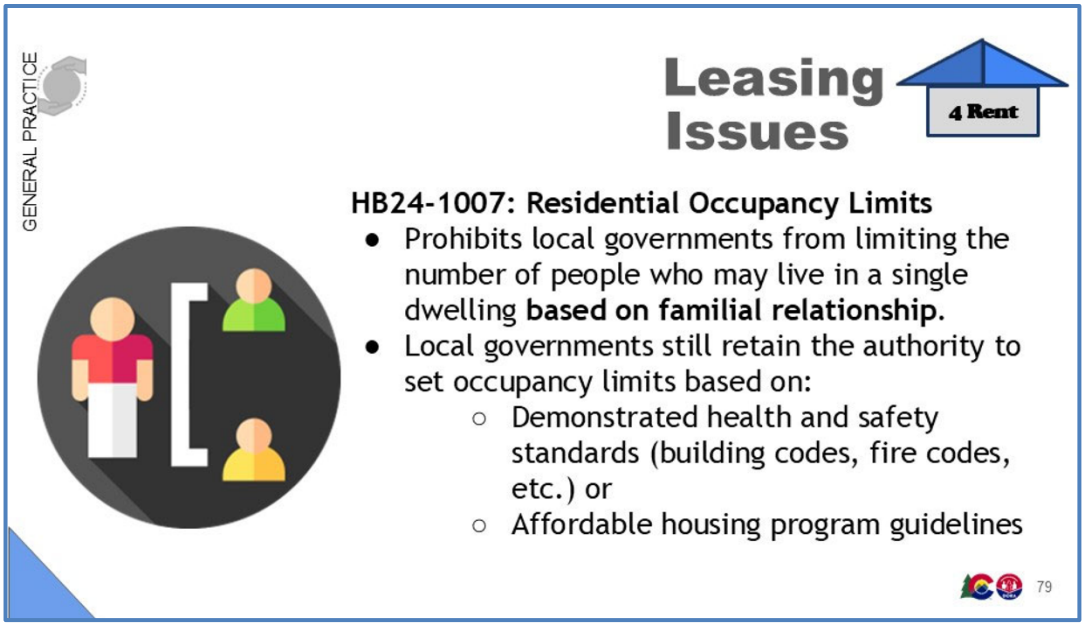
4 Rent



Some additional bills that directly affect Leasing Issues from 2024:

- HB24-1007
- HB24-1091
- HB24-1259

78



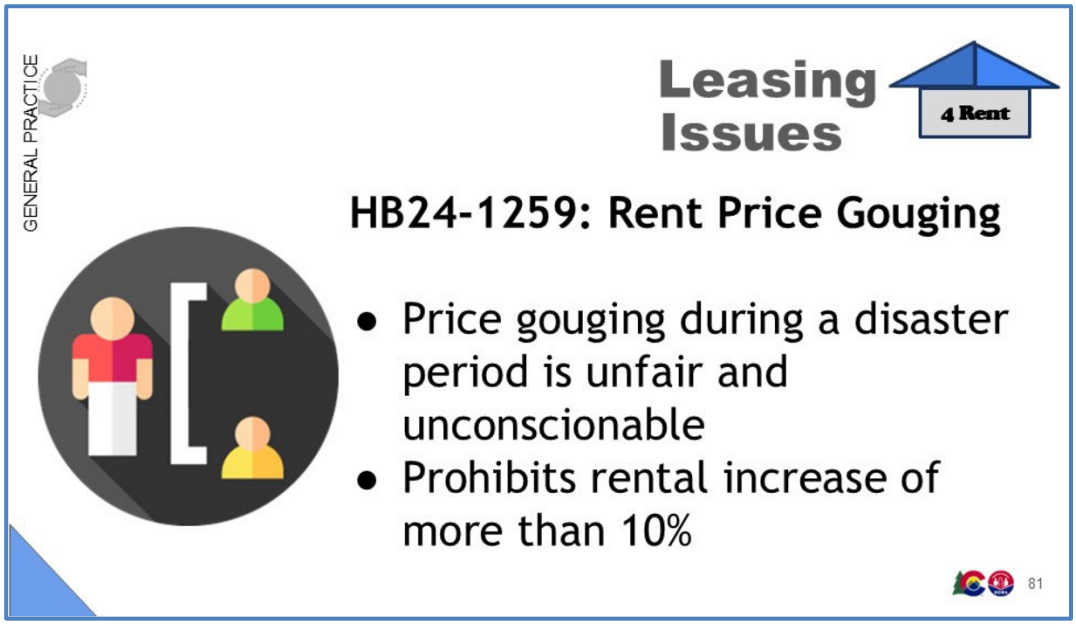
Residential Occupancy Limits: Prior to the passage of HB24-1007, local governments (counties, municipalities) had the authority to issue limitations on the number of people living in a single dwelling unit based on familial relationships. HB24-1007 took this authority away from the local government and made it a state issue, however, local governments still have the authority to set occupancy limits based on two important factors:

1. Demonstrated health and safety codes (building code, fire code, etc.)

2. Affordable housing program guidelines.

Fire-Hardened Building Materials: Prior to the passage of HB24-1091, Common Interest Communities were allowed to restrict the use of certain materials based on the association's governing documents. This includes materials for siding, roofing and fencing. This meant that simply for aesthetic purposes, unit owners were not allowed to take reasonable steps to protect their units from the effects of fire. HB24-1091 now prohibits associations from prohibiting the installation, use, or maintenance of fire-hardened building materials on a unit owner's property.

An association is allowed to develop standards that impose reasonable restrictions on the design, dimensions, placement, or external appearance of fire-hardened building materials used for fencing.



Price Gouging in Declared Disaster Areas:

1. Price gouging is defined as an increase in rent of more than 10%.
2. Disaster declaration is:
    a. A national emergency by the President of the United States.
    b. A disaster emergency by the Governor.
3. Disaster period means the date a disaster declaration begins and continuing for one year after the date of the initial disaster.
4. **Price gouging of rent is now an unfair and unconscionable act or practice when, during a disaster period and within the designated area if a disaster declaration specifically declares a material decrease in residential housing units, the person engages in price gouging in the provision of or offer to provide rent-based housing**.

GENERAL PRACTICE

Leasing Issues

4 Rent

Over the last several years, the laws related to property management, landlord/tenant, and leasing issues have evolved significantly. On the next few slides is a list of just some of the laws passed by the Colorado General Assembly in the last few years.

LET'S DISCUSS!

82

GENERAL PRACTICE

Leasing Issues

4 Rent

- SB18-010: Receipts and Copies
- SB18-015: Protecting Homeowners and Deployed Military Personnel Act
- HB19-1106: Rental Application Fees
- HB19-1118: Time to Cure Lease Violations
- HB19-1170: Residential Tenant Health and Safety Act

LET'S DISCUSS!

83

GENERAL PRACTICE

Leasing Issues

- HB19-1328: Bed Bugs
- HB20-1009: Suppressing Court Records of Eviction
- HB20-1332: Source of Income
- SB20-224: Immigrant Tenant Protection Act
- HB21-1121: Residential Tenancy Procedures
- SB21-173: Rights in Residential Lease Agreements

84

GENERAL PRACTICE

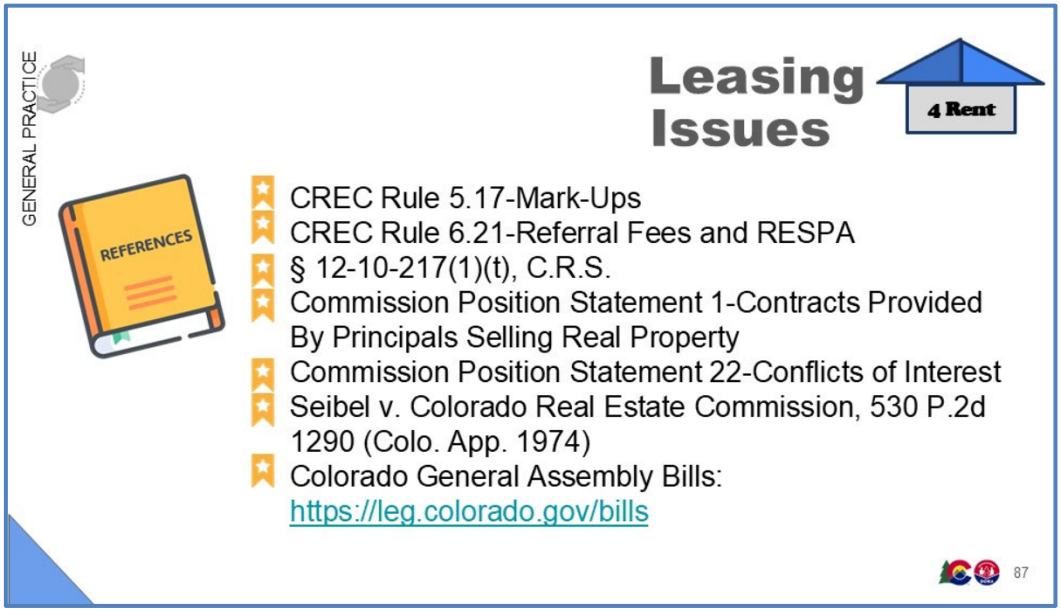
Leasing Issues

- HB22-1102: Veterans and Military Status in Fair Housing
- HB22-1314: Towing Carrier Nonconsensual Tows
- SB23-148: Concerning Property Used to Illegally Manufacture Drugs
- HB23-1254: Warranty of Habitability Expansion
- HB23-1120: Eviction Protections for Residential Tenants
- SB23-184: Protections for Residential Tenants

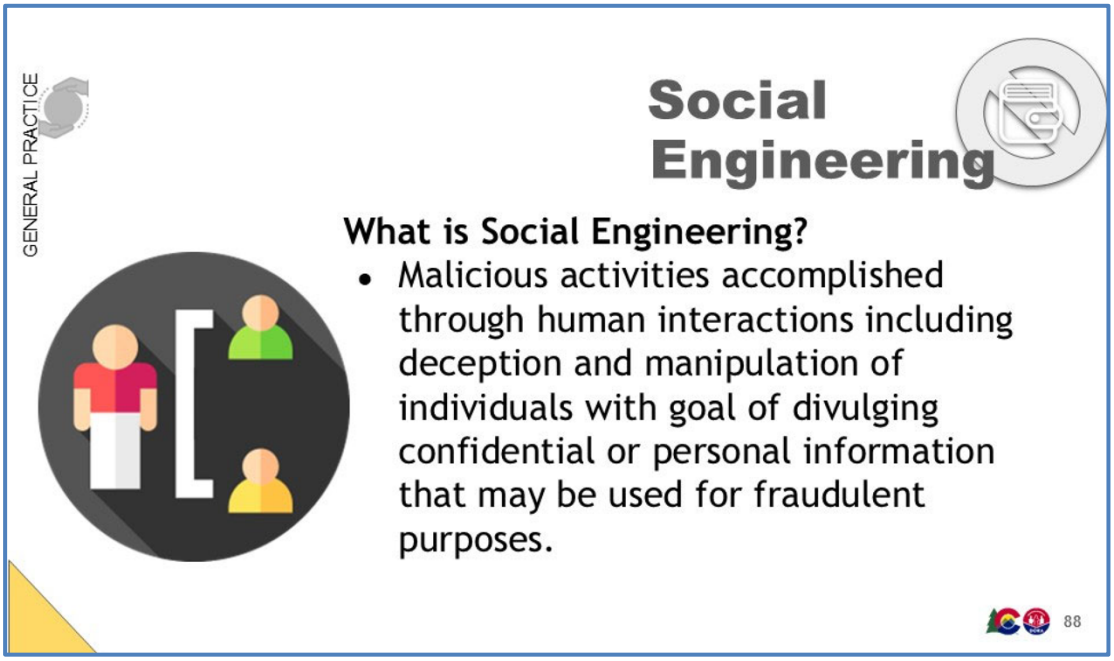
85

Obtaining or maintaining competence is imperative. If you are assisting clients in this sector OR if you are a Broker acting as a principal (you are a landlord or a tenant) acting on your own account, getting up to date on the latest laws and regulations is best. We just identified 23 bills that became law in recent years. How many of these are you aware of?

If you lack knowledge or competency on these bills, there are many Continuing Education providers offering in-depth courses on these essential leasing issues.



Social Engineering



What is Social Engineering?

- Social engineering is the use of deception to manipulate individuals into divulging confidential or personal information that may be used for fraudulent purposes.
- Social engineering relies on exploiting human psychology rather than direct hacking of computer systems.
- There is no singular approach to committing this type of fraud. It may include one or a combination of the following:

  Phishing: Fraudulent emails or messages tricking victims into providing sensitive information, like passwords or credit card numbers.

  Pretexting: Creating a fabricated scenario to gain trust and extract information, such as impersonating a bank representative.

Baiting: Offering something enticing (e.g., a free download) to get victims to expose their data or systems to attack.

Tailgating: Physically following an authorized person into a restricted area by taking advantage of their courtesy.

Quid Pro Quo: Promising a benefit or service in exchange for sensitive information, like posing as tech support offering assistance.

- Social Engineering is any type of action where a fraudster uses human interactions to accomplish a fraudulent goal.

  It could be as simple as someone politely asking to "hold the door" to gain access to a secure area.

  It can be more complex as well, creating elaborate explanations for why the transaction should happen quickly and/or without in-person meetings or making threats that something confidential or embarrassing will be disclosed if the broker does not comply with demands.

GENERAL PRACTICE

Social Engineering

Practical Scenario

Broker uses a showing service to schedule and share entry credentials for its listing. A person (claiming to be a broker) contacts Broker directly saying that they have a very interested buyer, asks if the property is inhabited or not, and indicates their buyer is looking for a quick close. Broker gives entry credentials to the person.

89

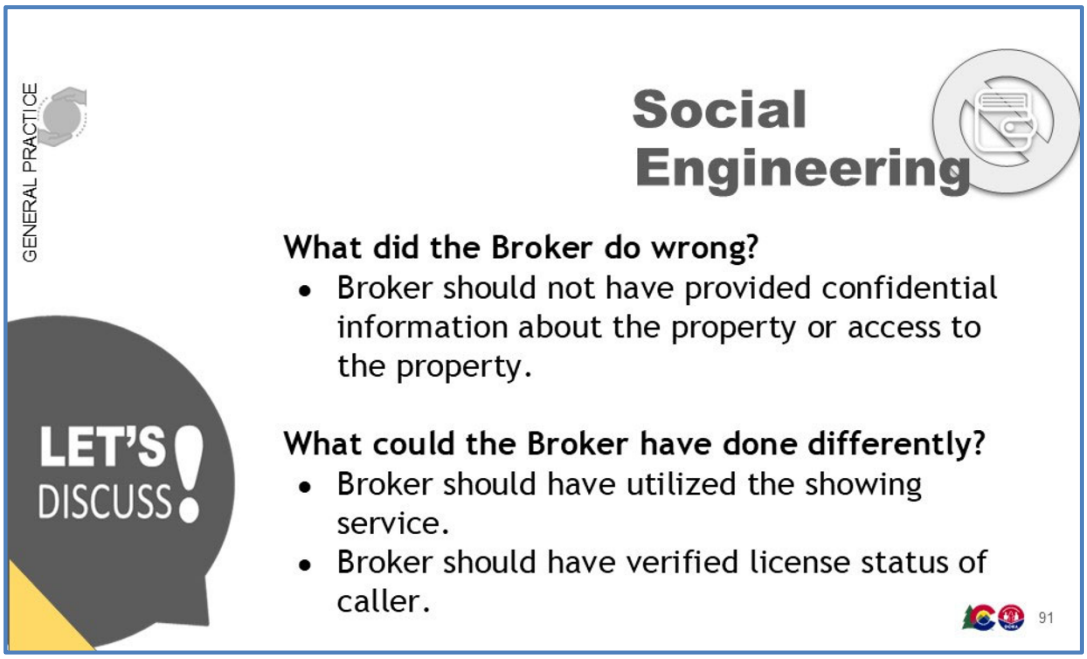
GENERAL PRACTICE

Social Engineering

Questions

- What did the Broker do wrong?
- What could the Broker have done differently?

90



What did the Broker do wrong?

Should not have provided confidential information about the property unless authorized by the seller.

Should not have discussed if the property was inhabited.

Should not have discussed any interest for the sellers to have a fast close.

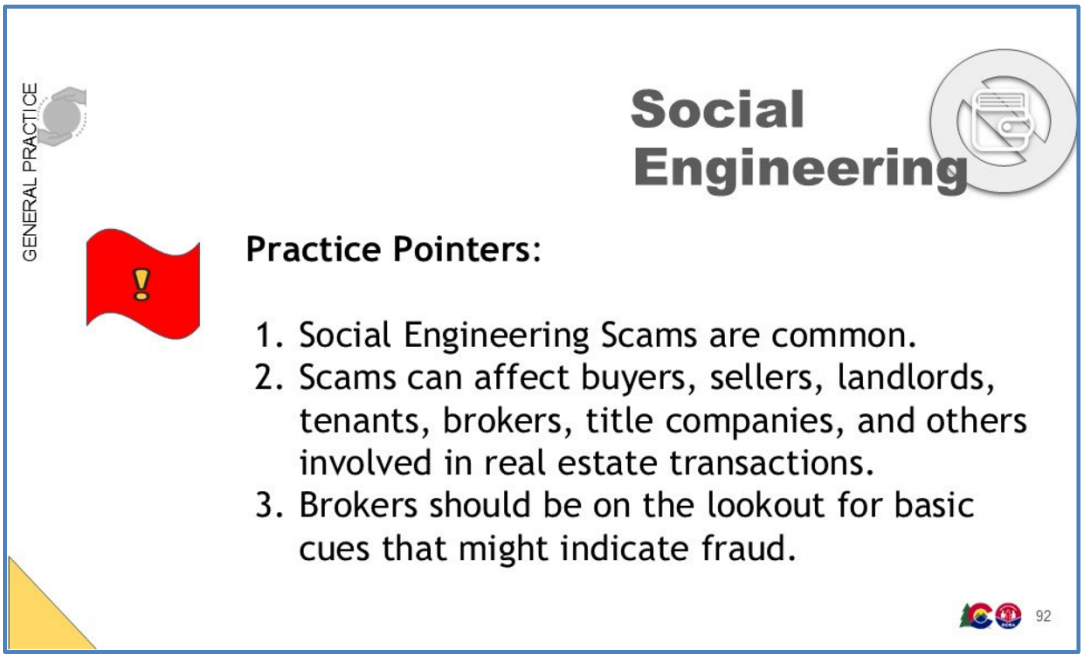
Broker did not confirm whether the other person was a broker or not.

Should not have provided any entry information/lockbox information.

What could the Broker have done differently?

Broker should have confirmed the identity of the other person-Broker?

Broker should have utilized the showing service.



Several practice points that all Brokers should be aware of.

1. Social Engineering Scams are common. According to the Colorado Bureau of Investigations, social engineering scams are increasingly common. To that end, the Division of Real Estate has issued numerous Broker Practice Advisories over the years regarding this increase. In addition, various other law enforcement agencies have expressed concerns about this increase. Brokers need to keep their eyes and ears open.

2. Scams Target Everyone. Scams can affect buyers, sellers, landlords, tenants, brokers, title companies, and others involved in real estate transactions. Scammers commonly cast a wide net.

3. Brokers should be on the lookout for basic cues that might indicate fraud.

GENERAL PRACTICE

Social Engineering

Practical Scenario

Broker was contacted by the owner of a 35 acre parcel of land with a small cabin in unincorporated Pueblo County.

Seller has one brief telephone call with Broker and all communications thereafter are by email because Seller travels a lot for work. Broker researches ownership records in county records and the owner name matches the name of who they spoke to on the telephone.

As the transaction progresses, (1) Seller refuses to meet with the Broker, (2) Seller misspells his own name a few times in emails, and (3) Seller asks for a remote closing with a title company of their choosing that Broker never has worked with before.

93

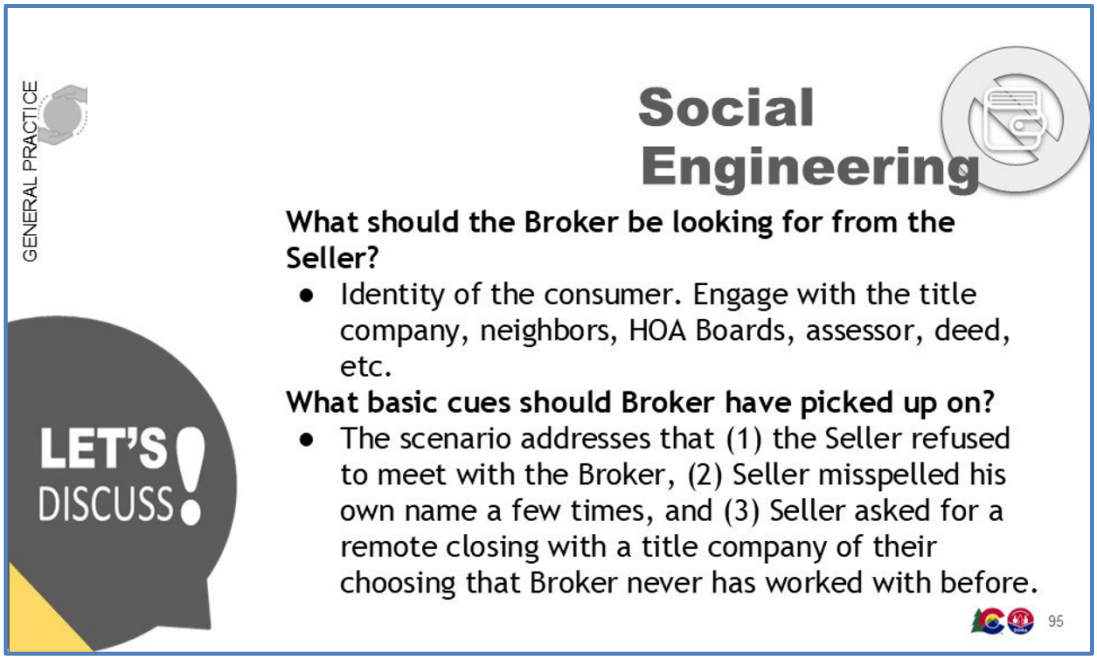
GENERAL PRACTICE

Social Engineering

Questions

- What should the Broker be looking for from the Seller?
- What basic cues should Broker have picked up on?

94



What should the Broker be looking for from the Seller?

Listing Brokers should be able to confirm the identity of their consumer. Consider:

- Public research-Assessor's Office or Clerk and Recorder records.
- Title company.
- Internet research.
- Reviewing government issued ID.
- Meeting in person.

What basic cues should Broker have picked up on?

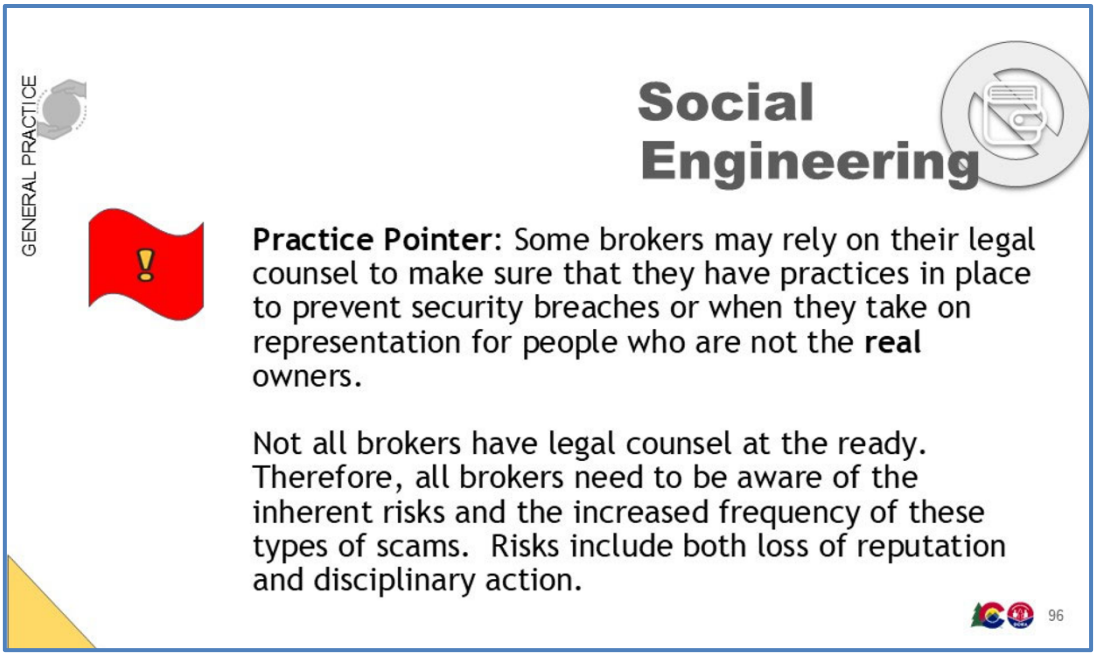
There are a lot of cues in the scenario itself.

- the Seller refused to meet with the Broker,
- Seller misspelled his own name a few times, and
- Seller asked for a remote closing with a title company of their choosing that Broker never has worked with before.

There are many other basic cues that Brokers should be aware of (this is not an exhaustive list, and no single example is indicative of fraud): To identify a few:

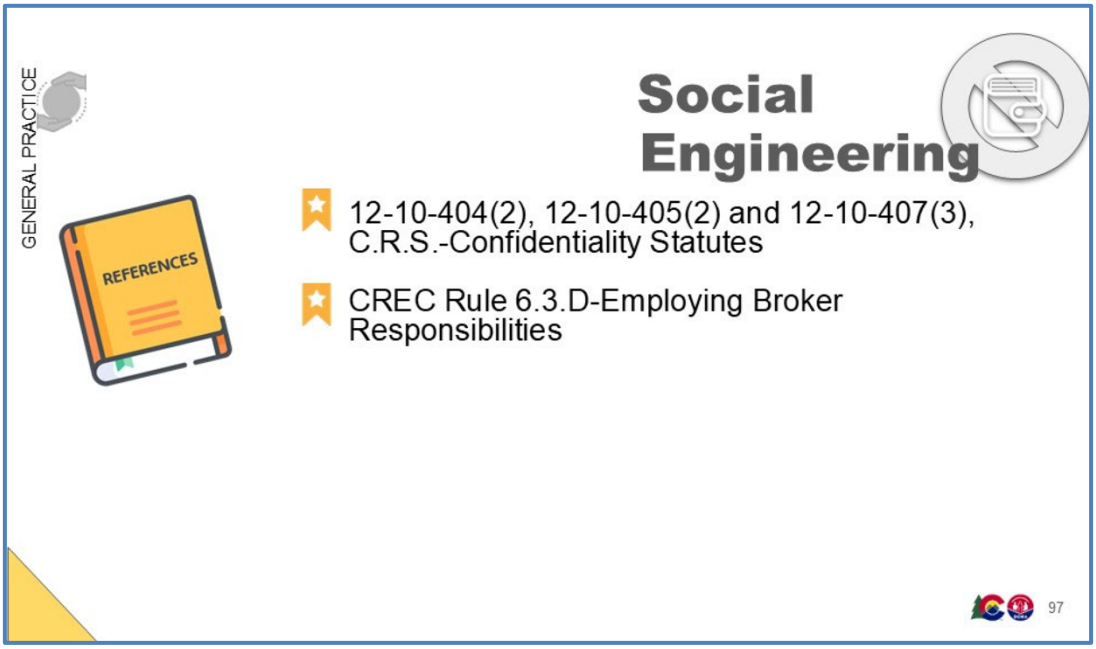
- Fraudsters may not have a strong grasp of the English language.
- Fraudsters contact brokers through a legitimate-seeming email address or manipulate their caller ID for contact via telephone or text to initiate the transaction.
- Fraudsters not allowing in-person communication and requires that all communications be by text or email.

- Fraudsters commonly develop various excuses for (1) why they want to sell the property, (2) why time is of the essence, or (3) why they are the only point of contact for the transaction.
- Fraudsters instruct the broker to use a remote closing company.
- Fraudsters will typically use a "local" notary of the fraudster's choosing and not accept the services of other professionals.
- Fraudsters may present documentation in support of their claim of being a legitimate representative such as Letters from a Probate Court or an executed power of attorney or fraudulent government ID.
- Fraudsters appear to carbon copy (cc) the actual owner on email correspondence.

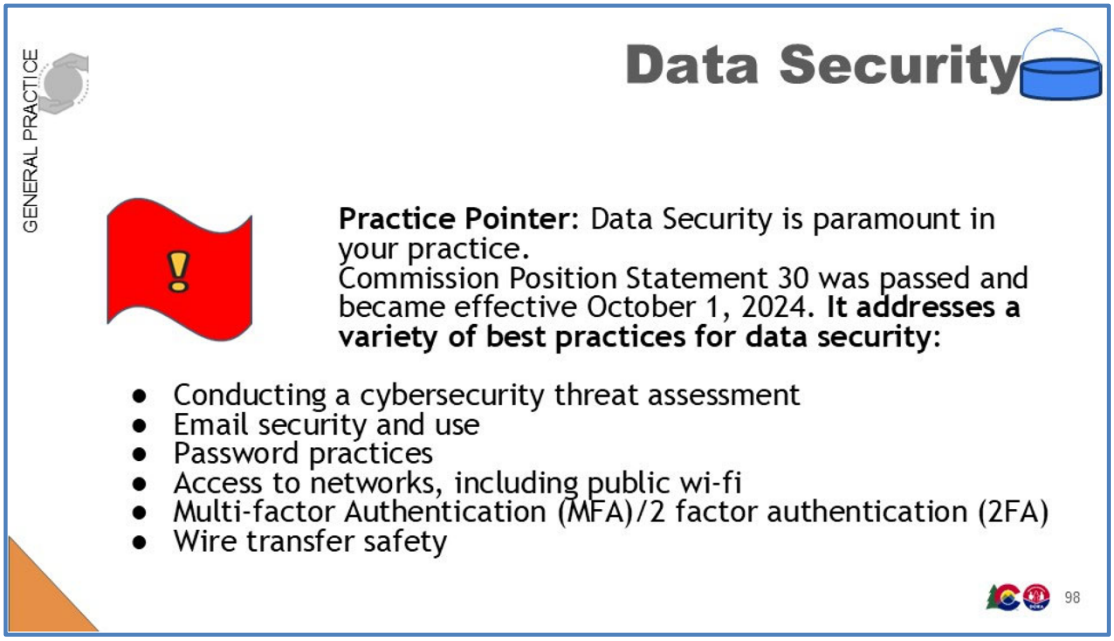


Office policy manuals often identify common vehicles for fraud and how to avoid them. While not all these policies are developed by legal counsel, many are. It is important that brokers follow these policies to ensure security in their transactions.

With that understood, not every brokerage has a lawyer (or a law firm) at their disposal. Brokerages should consider having office policy manuals reviewed regularly to address common and less common scams. In support of that, the Commission has, in 2024, determined that cybersecurity and privacy concerns warranted a new Commission Position Statement. In October 2024, the Commission approved CP 30 to address these issues.


GENERAL PRACTICE
Social Engineering
REFERENCES
12-10-404(2), 12-10-405(2) and 12-10-407(3), C.R.S.-Confidentiality Statutes
CREC Rule 6.3.D-Employing Broker Responsibilities
97

Data Security



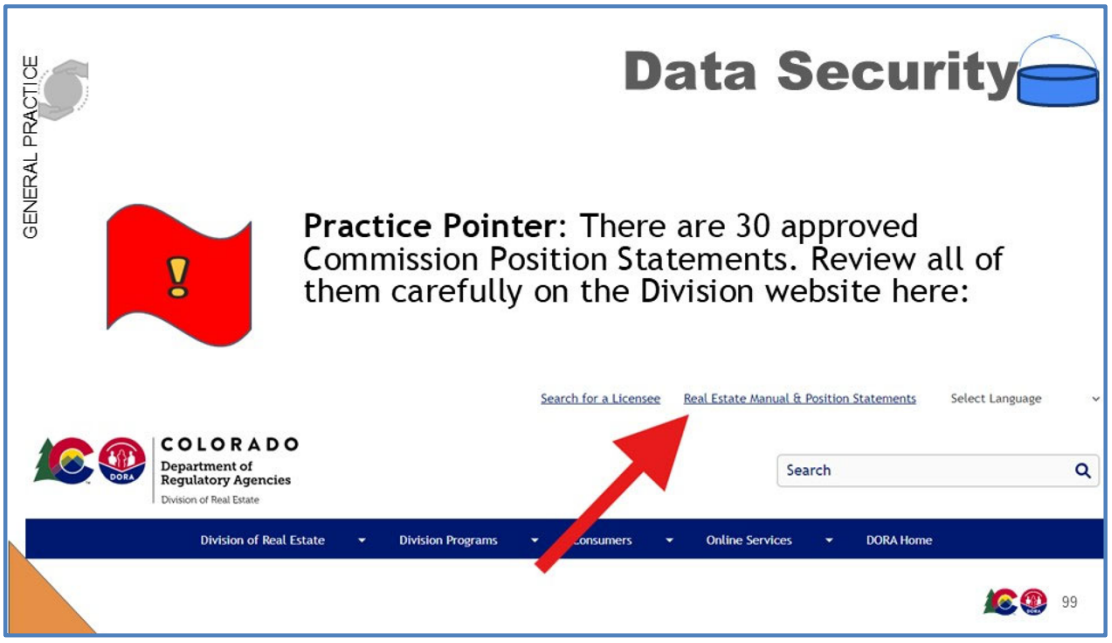
CP-30 addresses various best practices that all brokers should consider implementing into their practice:

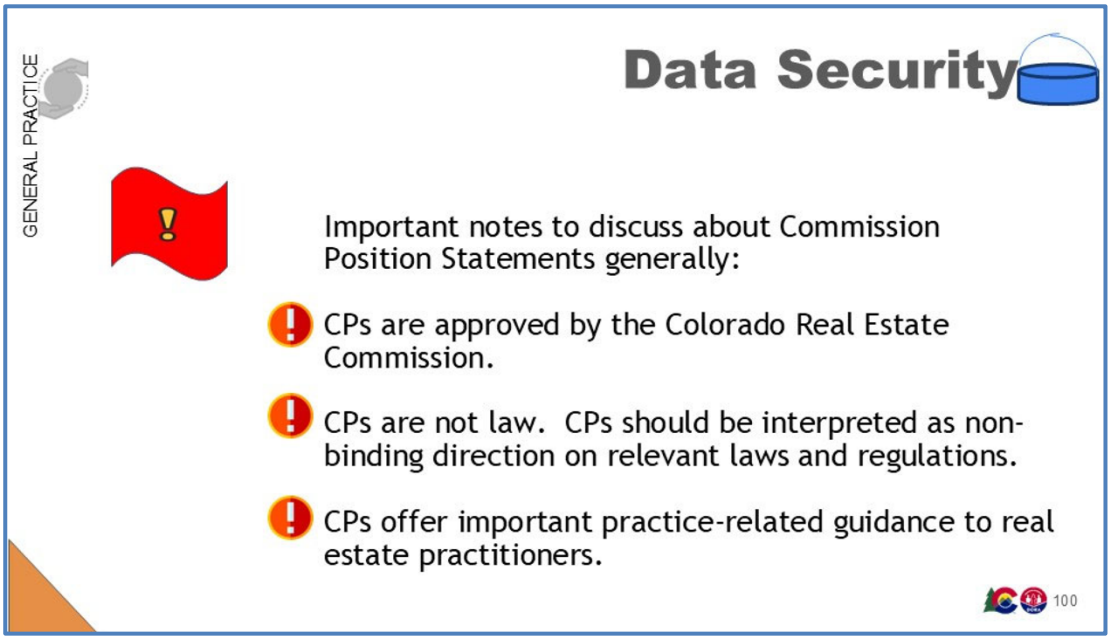
- When conducting scams, fraudsters look for the weakest link where they can obtain information. Do not let this be you, the broker.
- Fraudsters have to be right once. Brokers, other professionals, and consumers need to be right every time.
- Brokers should be careful to verify the parties to a transaction before ever sending confidential information.

CP 30 Addresses:

1. Conducting a cybersecurity threat assessment
2. Email security and use
3. Password practices
4. Access to networks, including public wi-fi
5. Multi-factor Authentication (MFA)/2 factor authentication (2FA)
6. Wire transfer safety

Carefully review CP 30 and implement it into your practice.





1. CPs may be updated, deleted, or added from time to time by the Colorado Real Estate Commission.

2. CPs are not law. CPs should be interpreted as non-binding direction on relevant laws and regulations. CPs **do not** carry the full force and effect of laws and regulations.

CPs offer important practice-related guidance to real estate practitioners. For new and seasoned professionals, CPs can serve as a starting point to understand law and learn about a new segment of the practice.

1. **Slow down**. Spammers want you to act first and think later. If the message conveys a sense of urgency or uses high-pressure sales tactics be skeptical; never let their urgency influence your careful review.

2. **Research the facts**. Be suspicious of any unsolicited messages. If the email looks like it is from a company you use, do your research. Use a search engine to go to the real company's site, or a phone directory to find their phone number.

3. **Do not let a link be in control of where you go**. Stay in control by finding the website yourself using a search engine to be sure you land where you intend to land. Hovering over links in email will show the actual URL at the bottom, but a good fake can still steer you wrong.

4. **Be Aware of Hackers**. Hackers, spammers, and social engineers can take over control of people's email accounts (and other communication accounts). Once they control an email account, they can prey on the trust of the person's contacts. Even when the sender appears to be someone you know, if you are not expecting an email with a link or attachment check with your friend before opening links or downloading.

5. **Discuss With Your Consumer**. Ensure that you have discussed these concepts with your consumer so that they do not fall prey to these types of fraud during or after the transaction.

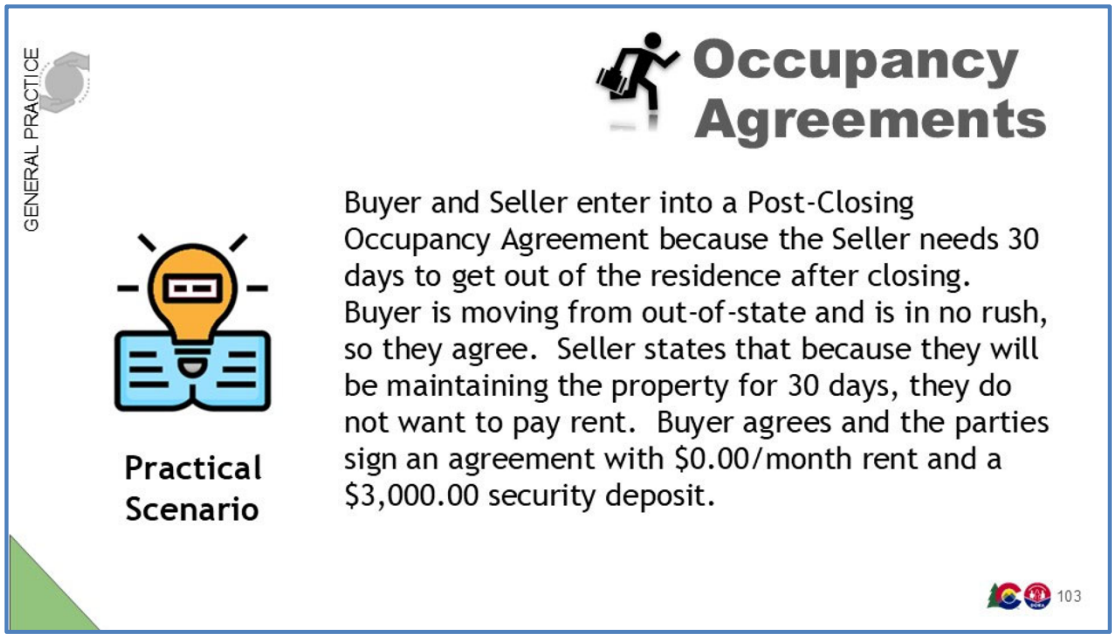
GENERAL PRACTICE

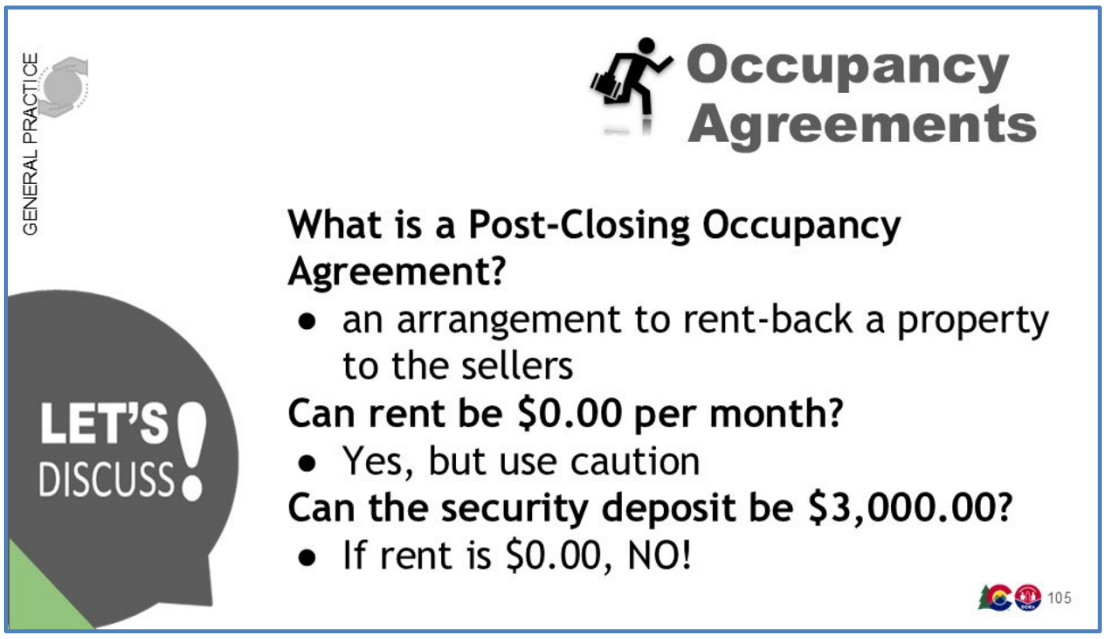
Data Security

- CP 30-Data Security and Privacy: https://dre.colorado.gov/real-estate-manual-and-position-statements
- Broker Real Estate Advisory: https://drive.google.com/file/d/1PQ_nHin4ZOmuZj_HUQCS1q4qhebh3vue/view

102

Occupancy Agreements





What is a Post-Closing Occupancy Agreement?

Available for use for up to sixty (60) days following closing is a short-term rental arrangement between the buyer and the seller. There are a variety of reasons for the allowed duration of 60 days, but the primary reason is that lenders may interpret a term longer than 60 days to indicate that the property is not owner-occupied and, might constitute a breach of any lending agreements or deeds of trust. Licensees should know that if seller possession will last longer than sixty (60) days, a document should be prepared by an attorney licensed to practice law in the State of Colorado.

The Colorado Real Estate Commission has approved a Post-Closing Occupancy Agreement form which addresses a variety of topics: maintenance, damage taking place after closing, access to the property by the buyer, and the amount of rent, to identify a few.

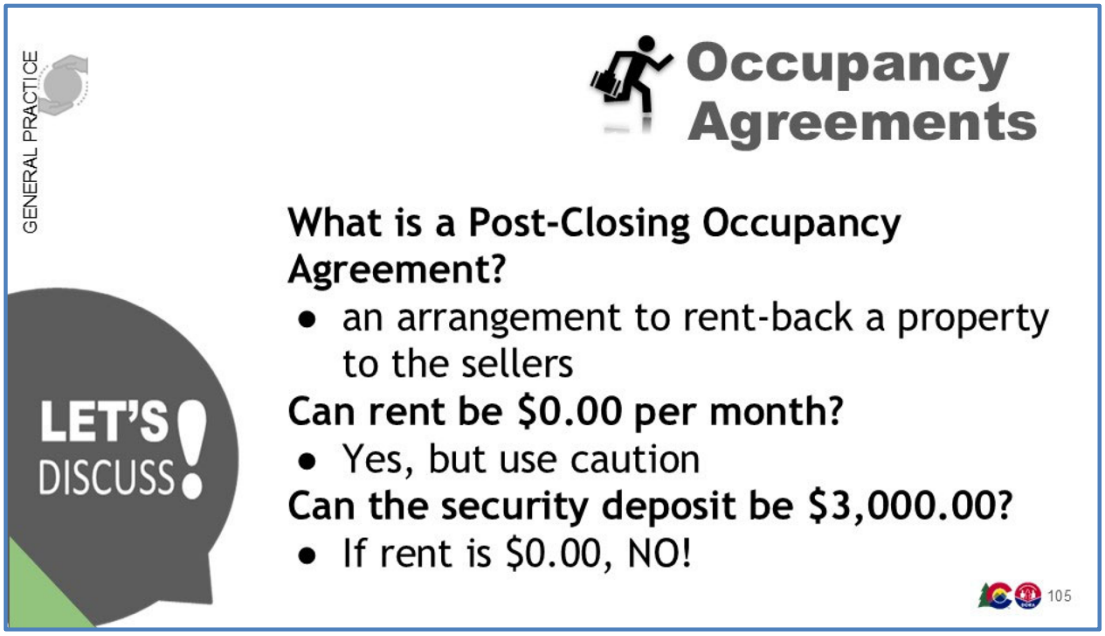
Can Rent be $0.00 per month?

Yes, a buyer can charge a rental amount, provided that the seller agrees to the amount in the Post-Closing Occupancy Agreement. For the reason discussed in the answer to the next question, the parties should consider a positive amount of rent.

Can the security deposit be $3,000.00?

No, as long as the rent is $0.00. Security Deposit law change limited Security Deposits. Pursuant to SB23-184, **security deposits cannot exceed 2 times the monthly rent**. If buyer does not charge rent (i.e. $0.00), then there can be no security deposit.

Brokers should be aware that a Post-Closing Occupancy Agreement creates a landlord/tenant relationship. Therefore, landlord/tenant laws apply.



Brokers are acting like a property manager or landlord in these situations. Compliance with applicable laws is required (ie-security deposits, fair housing, etc.). Example: return of security deposit within 30 days is required. If you fail to comply with requirements to return the security deposit, you are subject to treble damages.

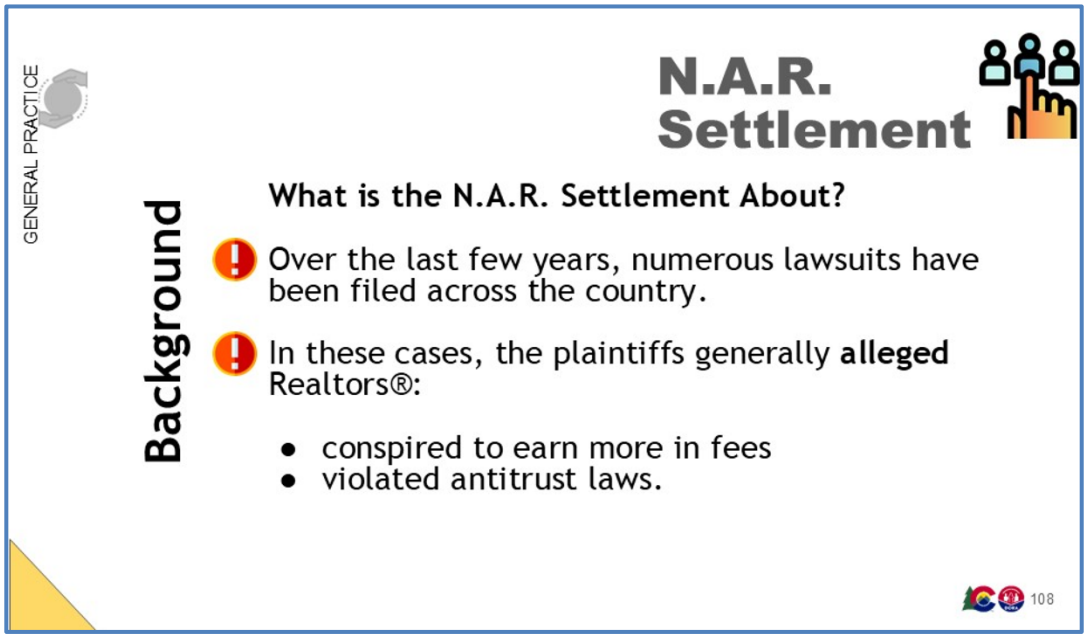
Brokers should carefully discuss the specific terms of any Post-Closing Occupancy Agreement. There are numerous important concepts which should be understood by either the buyer or the seller.

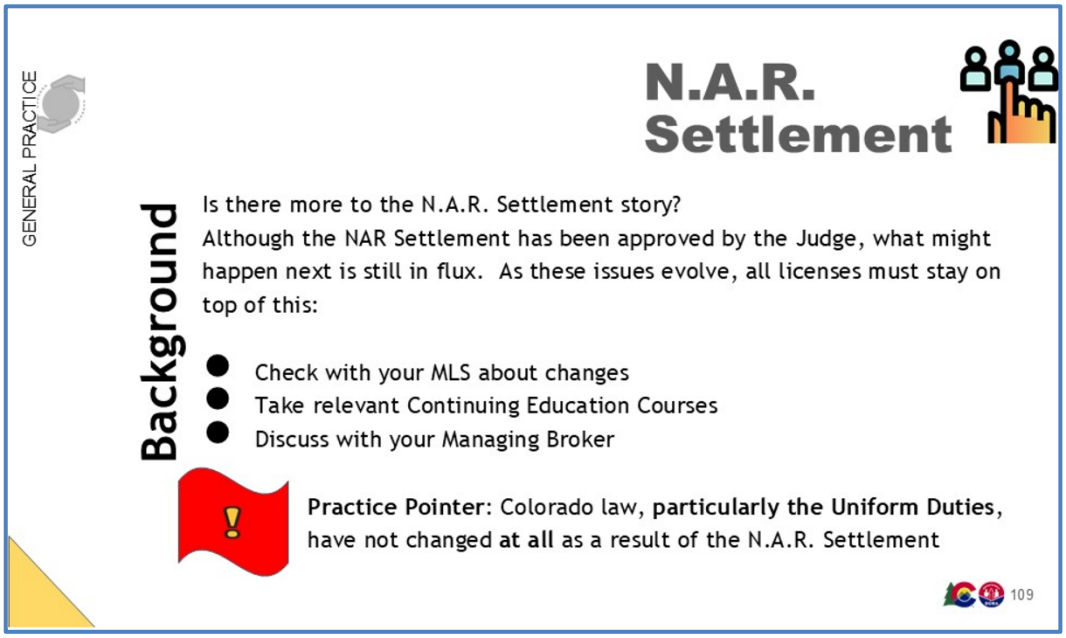
N.A.R. Settlement

This section is not presented to provide a comprehensive background about the National Association of Realtors® (N.A.R.) lawsuits but a brief description of the lawsuits may be helpful. Understand that this discussion is not designed to discuss the merits of those cases.

The most well-known lawsuit name was Sitzer-Burnett although the N.A.R. settlement resolved numerous lawsuits.

The lawsuits generally alleged that Realtors® conspired to earn more fees and violated antitrust laws.

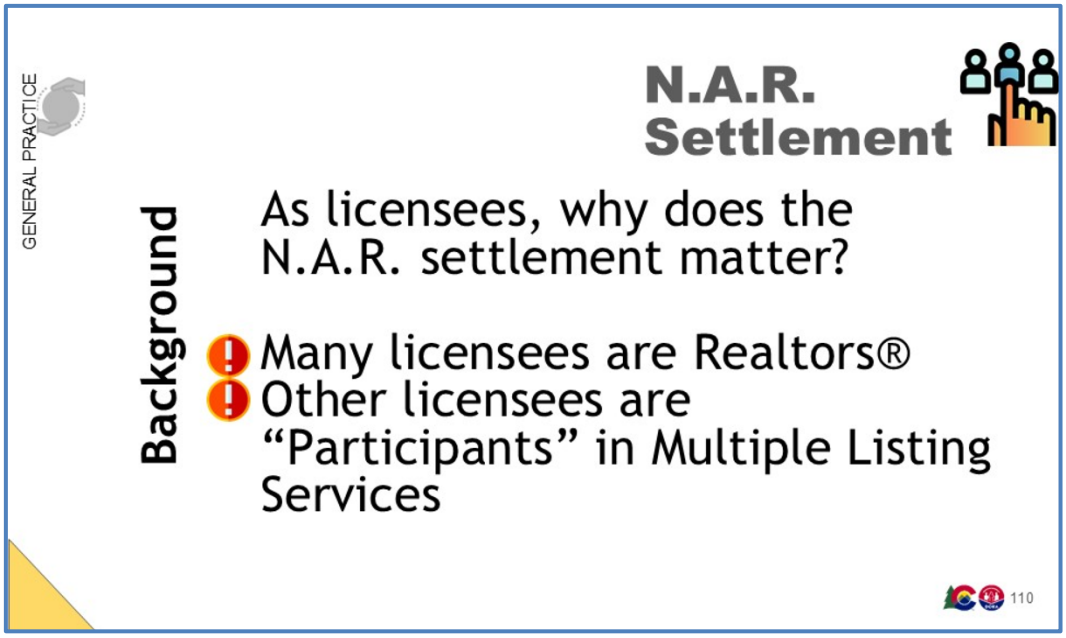




Is the N.A.R. settlement the end of the saga?

- The short answer is that we do not know but also, we are not here today to guess at what is next.
- It is possible that additional lawsuits be filed by buyers, sellers, landlords and tenants.
- It is possible that the Department of Justice may take an interest on the federal level.
- Accordingly, licensees should stay up to speed on current events. Licensees can do so by checking with your MLS REGULARLY about practice changes, talk with your Brokerage Firm, take relevant Continuing Education courses.

Colorado law has not changed at all as a result of the N.A.R. Settlement.

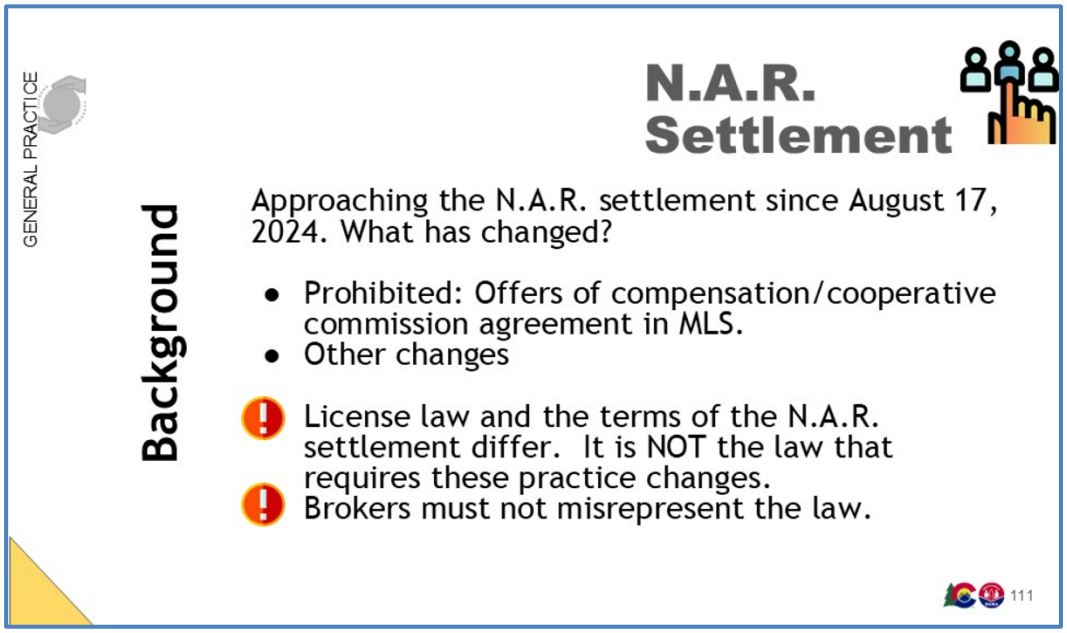


All squares are rectangles, but **not all** rectangles are squares. Similarly, all Colorado Realtors® are licensees, but **not all** licensees are Realtors®. As of the effective date of the settlement, Colorado had approximately 52,000 licensees and at about the same time, the Colorado Association of Realtors® identified more than 26,000 members.

An important question must be answered: Who does the N.A.R. settlement apply to in Colorado? The settlement applies to:

1. All Realtors®

2. All "Participants" in the MLS. All licensees should carefully review and understand the terms of service for their MLS. Most MLS services identify "Participants" as MLS users who are not Realtors®. These terms of service require compliance with the settlement. This brings in many agents because so many agents use the services of MLS companies around the State.



Practice Changes vs. Regulation and law: The N.A.R. Settlement dictates what Realtors® have to adopt as practice changes, THESE ARE NOT LEGAL CHANGES.

All brokers that are Realtors® or Participants in the MLS need to comply with the settlement terms however, the Commission will **NOT** enforce a failure to do so. This means:

1. Listing agents are not permitted to identify a cooperative commission in the MLS. Historically, many agents offered a cooperative commission in the listing on the MLS. This is no longer allowed. Commissions have been decoupled: buyer's agent and seller's agent compensation are no longer connected.

2. Other changes include having an agreement in place before showing a property to a prospective buyer. The N.A.R. Settlement requires that to view a property, a buyer and Realtor® must enter into an agreement.

    a. Many people have adopted the term "Touring Agreement" to talk about this written agreement, but there is **NO REQUIREMENT UNDER COLORADO LAW.**

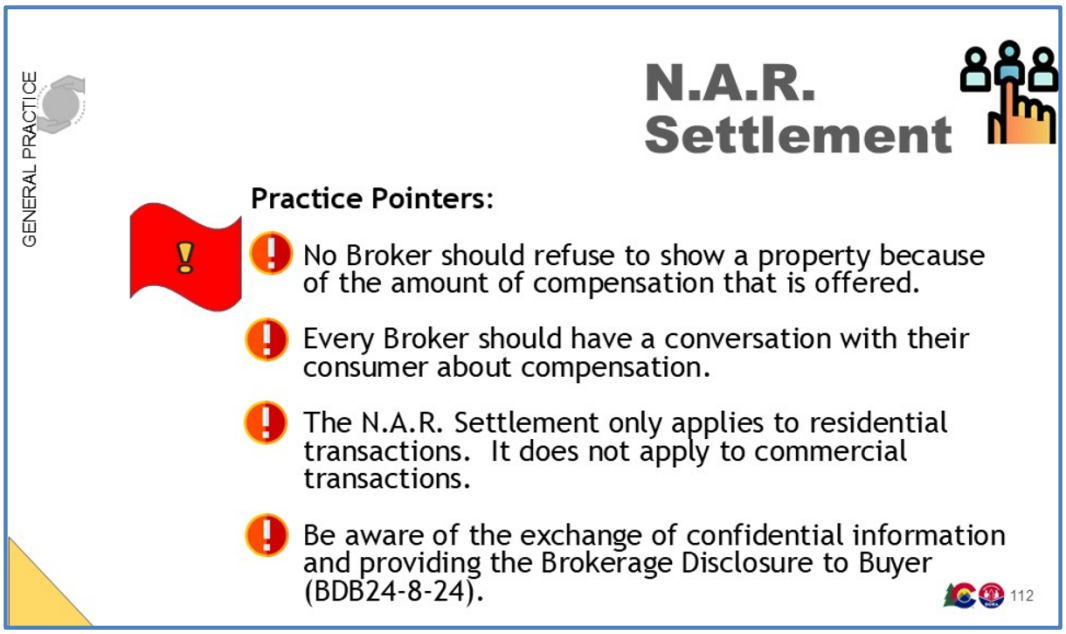
    b. **Colorado law does not require a written agreement for a Transaction Brokerage relationship however Broker does need authorization to receive compensation. Best Practice is, and has always been, to get an agreement in writing.**

3. **The NAR settlement did NOT change the law in Colorado.** The State of Colorado is not a party to the lawsuits nor to the settlement. As such, all brokers must use caution to:

    a. Not misrepresent the law.

    b. Not conflate MLS Rules with Colorado State law.

    c. Not mischaracterize the purpose of the touring agreement.



Important Comments:

1. Colorado law does not require a real estate license to show a property, but BEFORE any confidential information is exchanged, working relationships must be defined.

2. It is important for all licensees to understand that neither single agency nor transaction brokerage require a signed agreement with a broker to view property. C.R.S. §12-10-301 states that a real estate agent or broker is entitled to a commission for finding a purchaser who is ready, willing and able to complete the purchase of real estate as proposed by the owner until the same is consummated or is defeated by the refusal or neglect of the owner to consummate the same as agreed.

- Any agent with questions about how to comply with the settlement terms should:

1. Refer to the MLS rules and the NAR settlement

2. Discuss with your managing broker, legal counsel, MLS provider, or the Colorado Association of Realtors.

    - The N.A.R. Settlement only applies to residential transactions. It does not apply to commercial transactions.

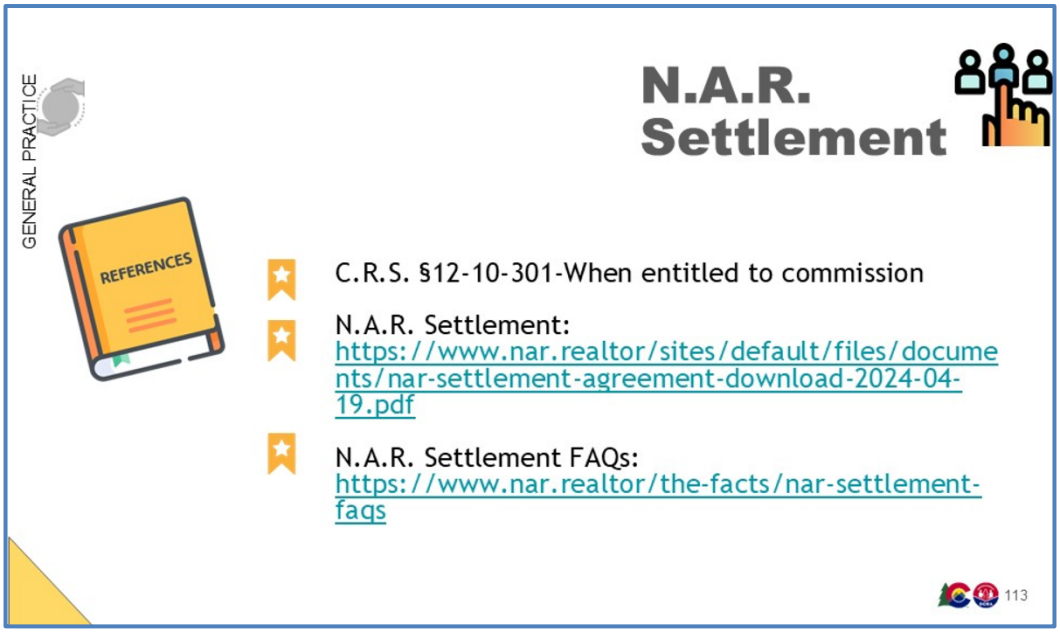
    - The Division is commonly asked about the existence of additional forms and why certain forms have not been promulgated by the Commission. Examples are a residential lease and a tenant and/or buyer radon disclosure form. CREC Rule 7.1.A is clear, that if there is a Commission-approved form, a Broker must use that form if it is appropriate for the transaction.

    - For those Brokers that require forms that are not Commission-approved, Brokers can consider contacting the Colorado Bar Association Continuing Legal Education store (https://cle.cobar.org/) where forms like the following can be found:

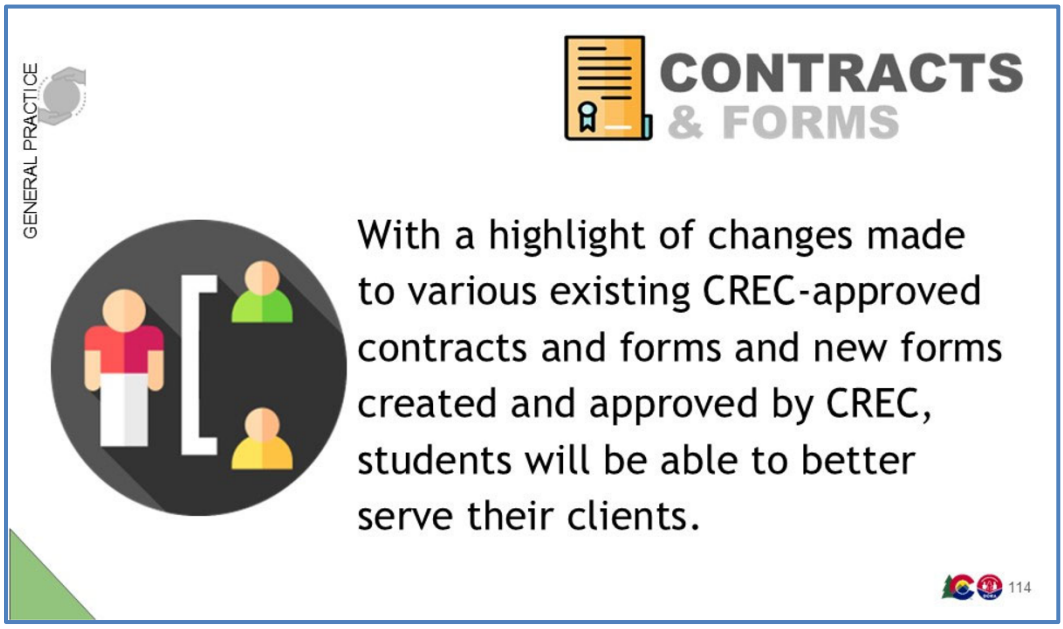
        1. Tenant Radon Disclosure Form (pursuant to SB23-206)-prepared by the Colorado Bar Association.

        2. Buyer Radon Disclosure Form (pursuant to SB23-206)-prepared by the Colorado Bar Association.

        3. Brokerage Firm Compensation Agreement Form-prepared by the Colorado Bar Association.

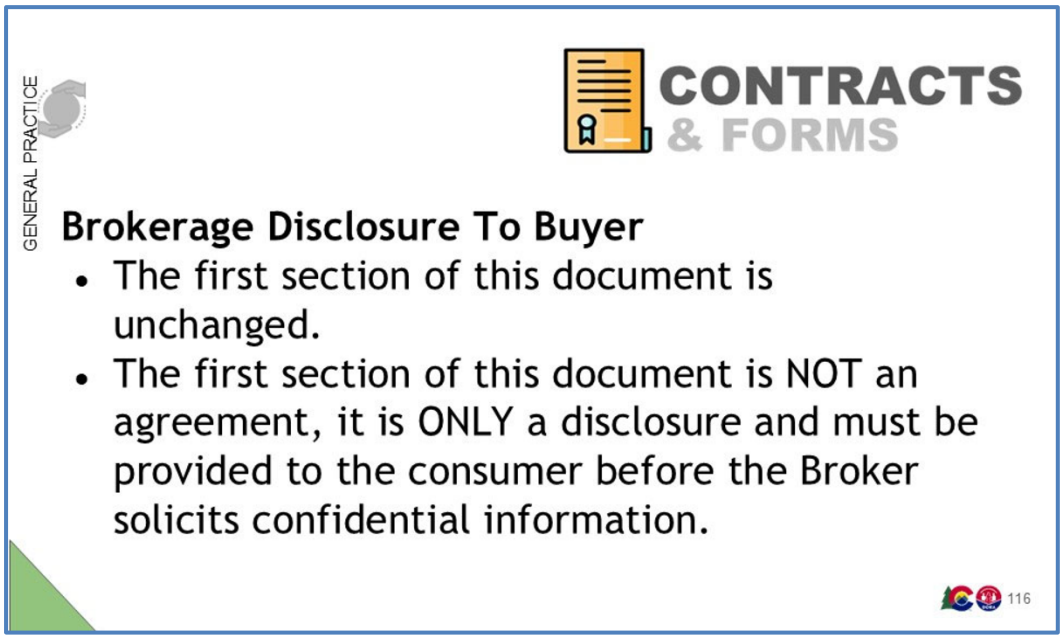


Contracts and Forms



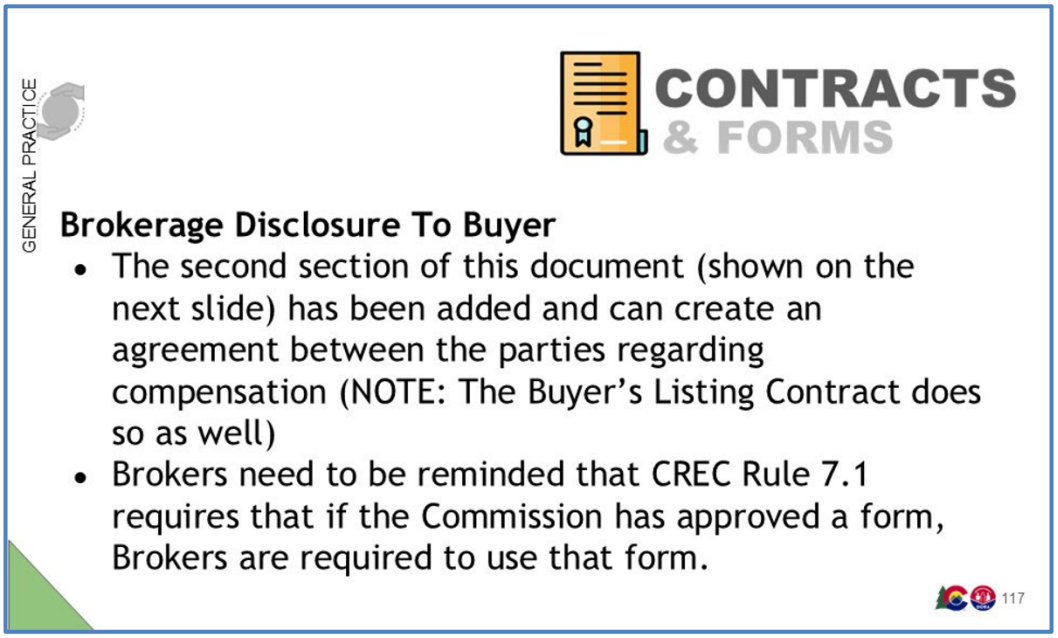
All Brokers should be advised that the Division makes available any updated Contracts and Forms each year. After any forms have been approved by the Commission, the Division, on its website, makes available both redline and clean versions of the updated forms for review. This allows every Broker to review the documents in advance of the implementation of the contracts and forms.

Furthermore, the documents exhibiting the changes remain on the Division's website for much of the following year, so Brokers that would like to revisit any changes or for any Broker who has not used a certain form for some time, so that the Broker can be aware of any changes since the form was used last in their practice.



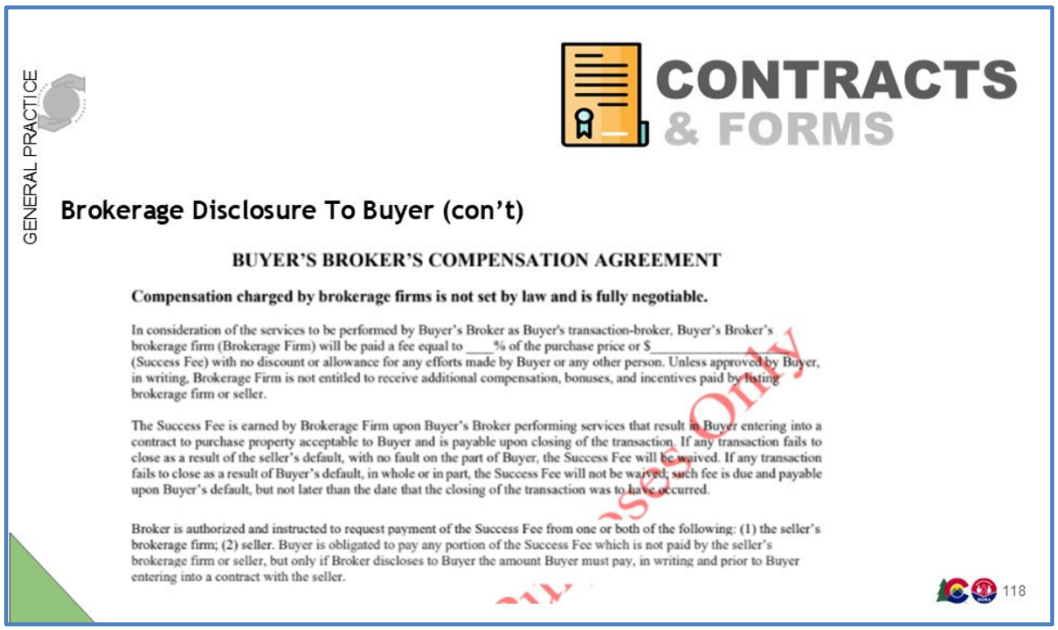
Brokerage Disclosure to Buyer is one of the more commonly misused and misunderstood forms for Brokers across the state.

The first portion of this document is a DISCLOSURE. It is not a CONTRACT. It is not an agreement.



The second section of the Brokerage Disclosure to Buyer can be used to create an agreement between the parties for compensation.

Another CREC-approved form that can be used to establish an agreement for compensation is the Buyer's Listing Contract.



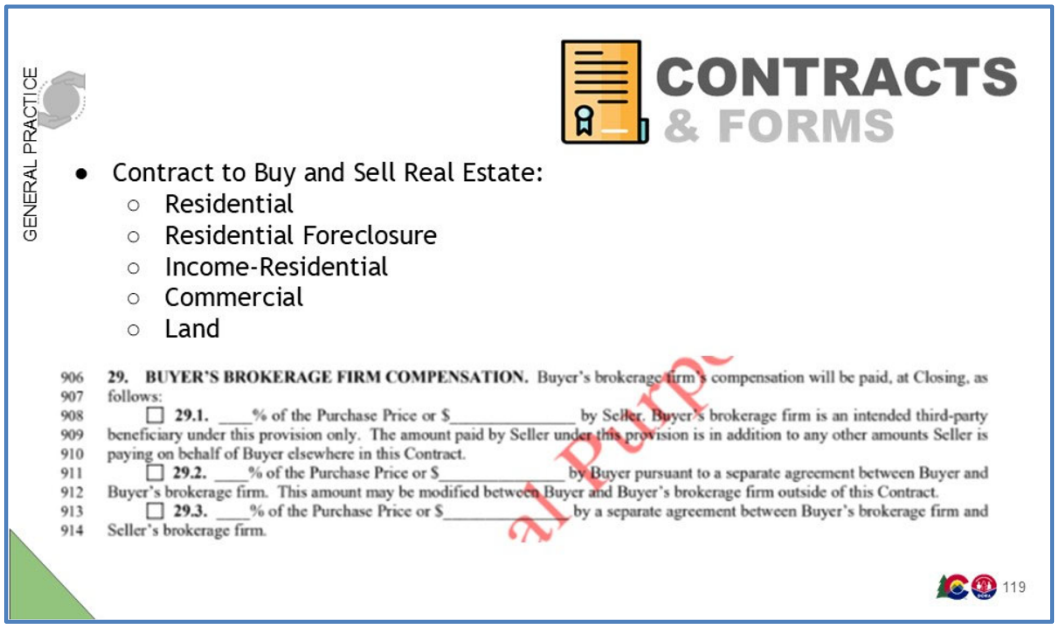
Part Two of the document is a contract.

It is imperative that all Brokers be reminded to not misrepresent the law to the public. Except for Buyer Agency, no contract is required by Colorado Law. Transaction Brokerage does not require a written contract.

Why consider presenting this section to your consumer?

If you conduct business as a transaction broker, a relationship is established but there is no mechanism by which the parties have yet contemplated compensation. This compensation agreement sets forth the amount and manner of compensation for the Buyer's Broker.

It makes clear that the Buyer must approve in writing and additional compensation, bonuses, or incentives to the Brokerage Firm paid by the listing brokerage or the seller.



Paragraph 29 was added to the five different versions of the Contract to Buy and Sell.

29.1-29.3 set forth different scenarios for the compensation of the Buyer's Brokerage Firm.

Paragraph 2.5: Inclusions

1) Home Warranty paragraph was moved to this paragraph from another location in the CBS.
2) Encumbered Inclusions, Leased Items, and Solar Power Plans: Added checkboxes to clarify if Buyer Will or Will Not assume the debt associated with each section.
3) Leased Items: Added checkboxes to clarify if Buyer Will or Will Not assume the debt associated with each section.
4) Solar Power Plans: Added checkboxes to clarify if Buyer Will or Will Not assume the debt associated with each section.

Paragraph 2.7: Water Rights/Well Rights

Buyer has right to terminate contract if water rights are unsatisfactory.

Paragraph 4.5.3: Loan Limitations

Seller and Buyer agree that any closing costs for a FHA or VA loan does not include any compensation to be paid to Buyer's Brokerage firm.

Paragraph 4.6: Assumption

Added language to terminate the Contract if Seller's lender does not provide written consent for the loan assumption by Buyer to the Buyer and the Closing Company either on or before the Closing.

Paragraph 5.5: Buyer Representation of Principal Residence

Added language that Buyer represents that Buyer will or will not occupy the Property as a principal residence after closing.

Paragraph 8.9: Mineral Rights Review

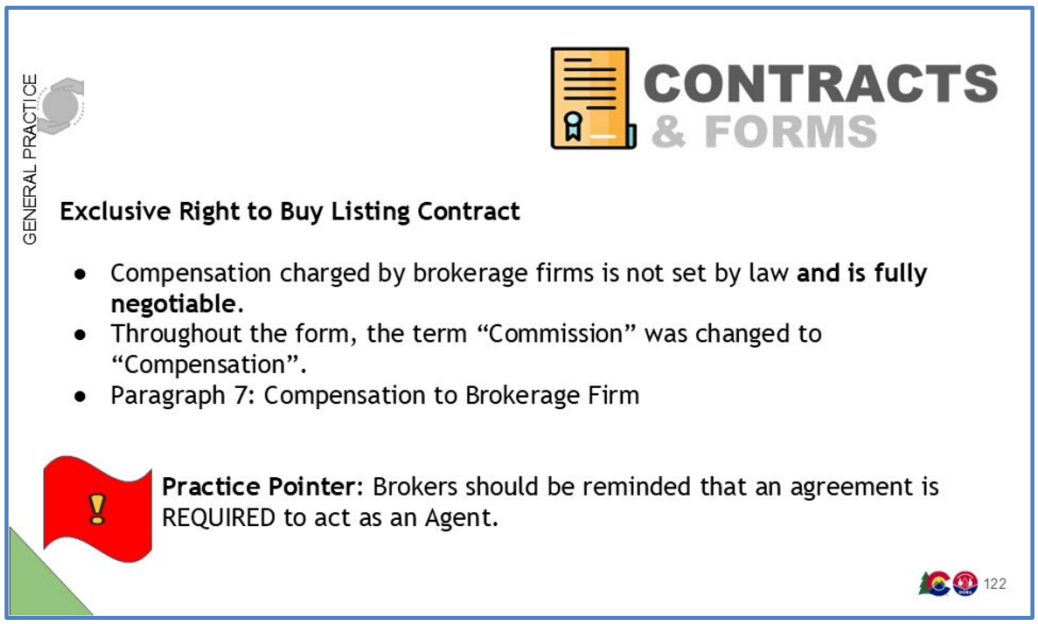
Buyer has the right to terminate the contract if the mineral rights are unsatisfactory.

Paragraph 24: Termination

Added language that any Notice to Terminate delivered after the applicable deadline is ineffective and does not terminate the Contract.

Paragraph 10.6.4

References to the ADA were moved.



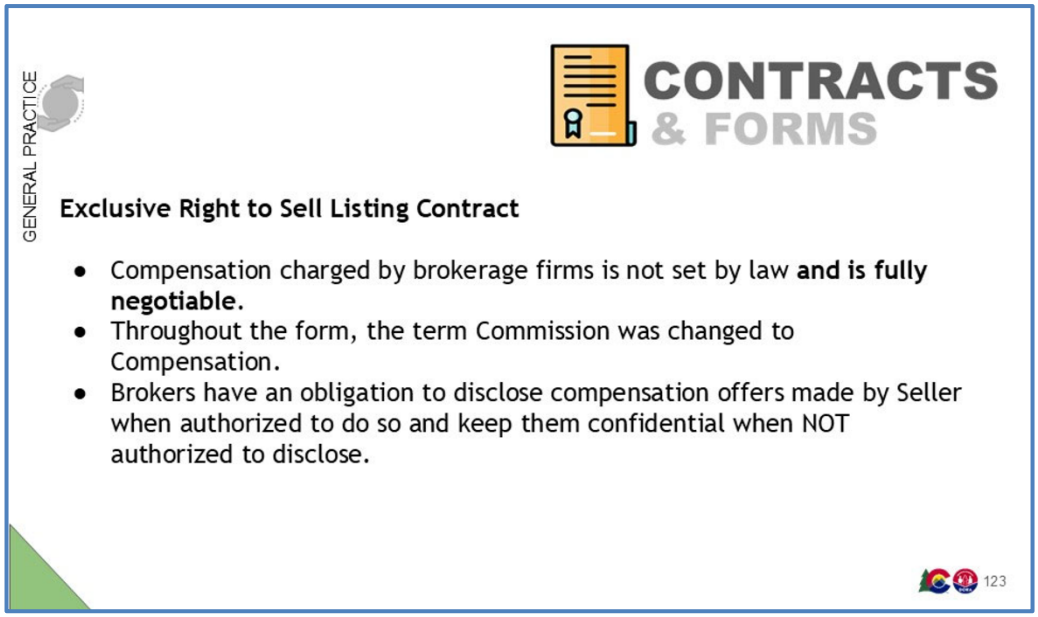
Compensation charged by brokerage firms is not set by law and is fully negotiable.

Throughout the form, the term Commission was changed to Compensation.

Paragraph 7: Compensation to Brokerage Firm

- Brokerage firms are not entitled to additional compensation, incentives or bonuses without the Buyer's written approval.
- Paragraph 7.3.1: Checkbox to allow Buyer's Broker to seek compensation from the Seller or Seller's Brokerage Firm.
- Paragraph 7.3.2: Checkbox to require Buyer to pay Buyer's Broker Buyer is obligated to pay unless agreed to by the Buyer.
- If no box is checked, 7.3.1 is the default.

A written agreement is REQUIRED to act as an Agent.



Paragraph 7: Compensation to Brokerage Firm

- Paragraph 7.1.1 allows for compensation between brokerage firms and the Seller compensating the Buyer's Broker.
- Paragraph 7.1.2: Lease Compensation allows for the listing Brokerage to compensate the Tenant's Brokerage firm.

GENERAL PRACTICE

CONTRACTS & FORMS

Other Documents: Changes were made to address minor substantive changes to the following documents:

- Agreement to Amend/Extend Contract
- Counterproposal
- Residential Addendum to Contract to Buy & Sell Real Estate

125

GENERAL PRACTICE

CONTRACTS & FORMS

- CREC Rule 7.1-Use of Standard Forms
- Contracts & Forms Website: https://dre.colorado.gov/real-estate-broker-contracts-and-forms
- Colorado Bar Association Forms Store: https://cle.cobar.org/

126

3 Legislation and Commission News

New Legislation
Commission News and Resources

New Legislation

LEGISLATION

NEW LEGISLATION
RELATED TO OR AFFECTING THE
REAL ESTATE INDUSTRY

Practical Scenario

Broker regularly lists residential, commercial, and mixed-use properties. She works in Durango where there is an affordable housing shortage. She just listed a 10 unit mixed-use property with 2 commercial units and 8 affordable-housing residential units which were previously rental units.

Broker receives 2 offers and a contract is signed. Broker schedules the closing. Broker is then contacted by the city, stating it wants to purchase the property.

128

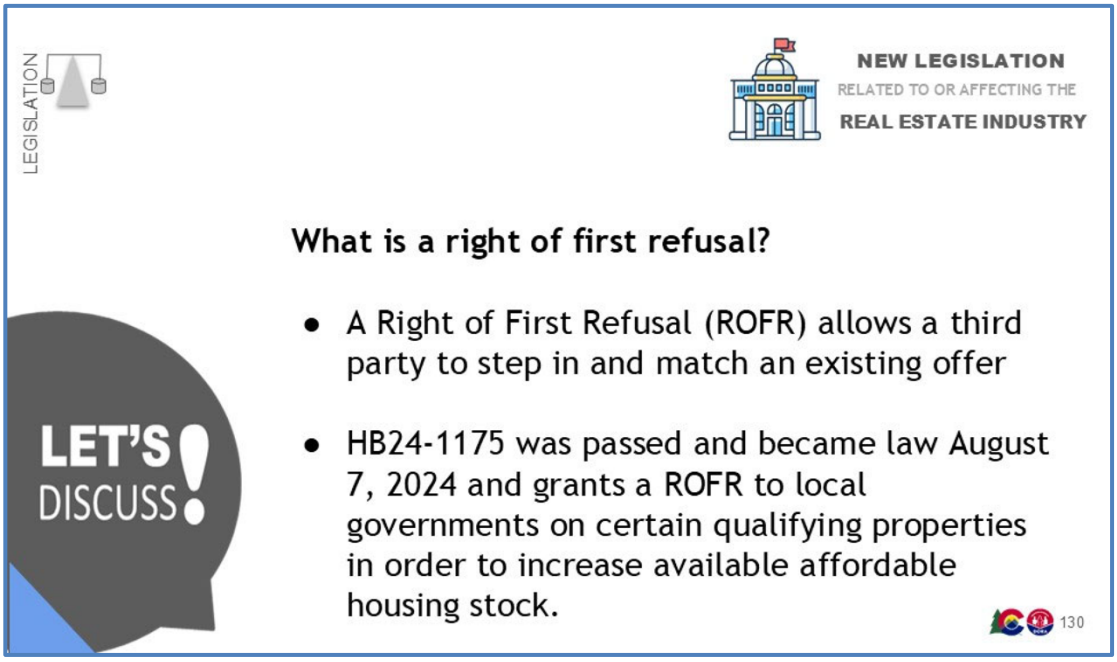
LEGISLATION

NEW LEGISLATION
RELATED TO OR AFFECTING THE
REAL ESTATE INDUSTRY

Questions

- What is a right of first refusal?
- What is a Qualifying Property?
- Where can Broker learn more about local government requirements for affordable housing?

129



What is a right of first refusal?

A Right of First Refusal (ROFR) allows a third party to step in and **match** an existing offer.

HB24-1175 was passed and became law August 7, 2024 and grants a ROFR to local governments on certain qualifying properties in order to increase available affordable housing stock.

Pursuant to HB24-1175, an offer must be economically identical to any other offer a seller receives and is willing to accept on the qualifying property.

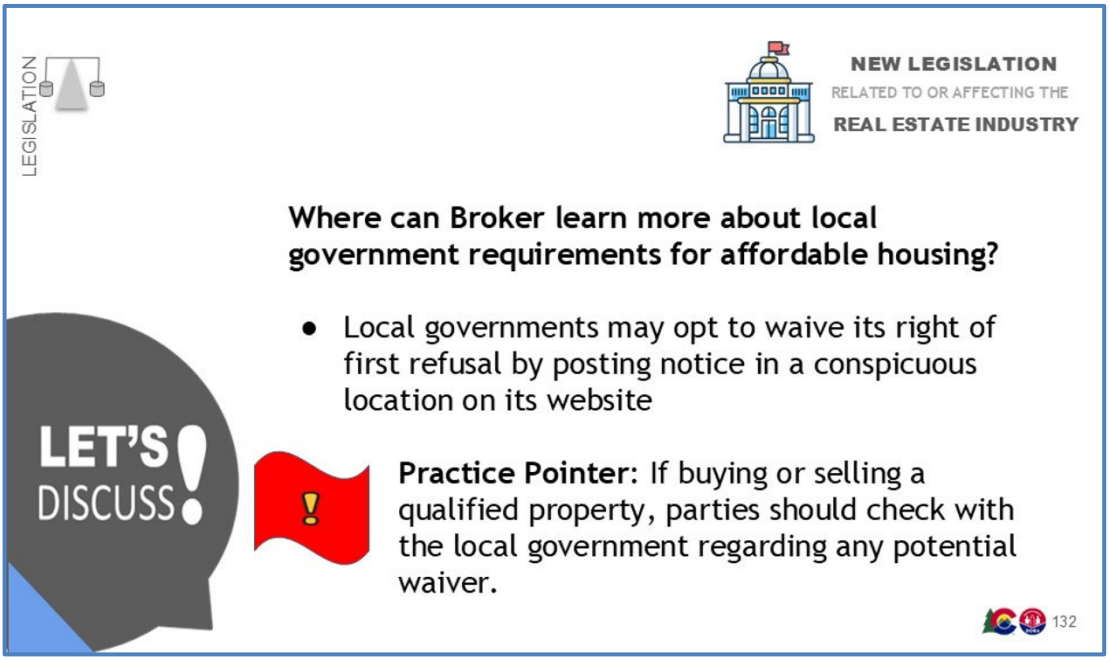
If the local government provides notice to a seller that the government may exercise its right of first refusal, the residential seller shall not proceed with the sale of the property to any other party and the local government shall have a right to make an offer on the property.

What is a qualifying property?

A Qualifying Property is defined as a multifamily residential or mixed-use rental property consisting of not less than five units that is existing affordable housing, excluding a mobile home park.

HB24-1175 aims to increase available affordable housing stock by creating a right of first refusal for a local government to purchase, in the event that a Qualifying Property is being sold.

HB24-1175 applies to both residential and commercial practice.



Where can Broker learn more about local government requirements for affordable housing?

Brokers, assisting with the listing or the purchasing of qualified properties, should be aware of the rights conferred upon local governments by this bill.

Also, local governments may opt to waive its right of first refusal by posting notice in a conspicuous location on its website.

If buying or selling a qualified property, parties should check with the local government regarding any potential waiver. Several brokers and several real estate attorneys have reached out to the Division of Real Estate to share that they have encountered issues/difficulties due to not being aware of this important law.

LEGISLATION

NEW LEGISLATION
RELATED TO OR AFFECTING THE
REAL ESTATE INDUSTRY

Practical Scenario

Broker is the owner of several single-family homes for rental purposes near Fort Collins. Each home is in an HOA on parcels of 2 acres each.

Broker plans to build several Accessory Dwelling Units (ADUs) to increase rental income and reviews the association governing documents, but notes ADUs are not permitted. Nevertheless, she reaches out to the board and submits an architectural design plan/request.

133

LEGISLATION

NEW LEGISLATION
RELATED TO OR AFFECTING THE
REAL ESTATE INDUSTRY

Practical Scenario

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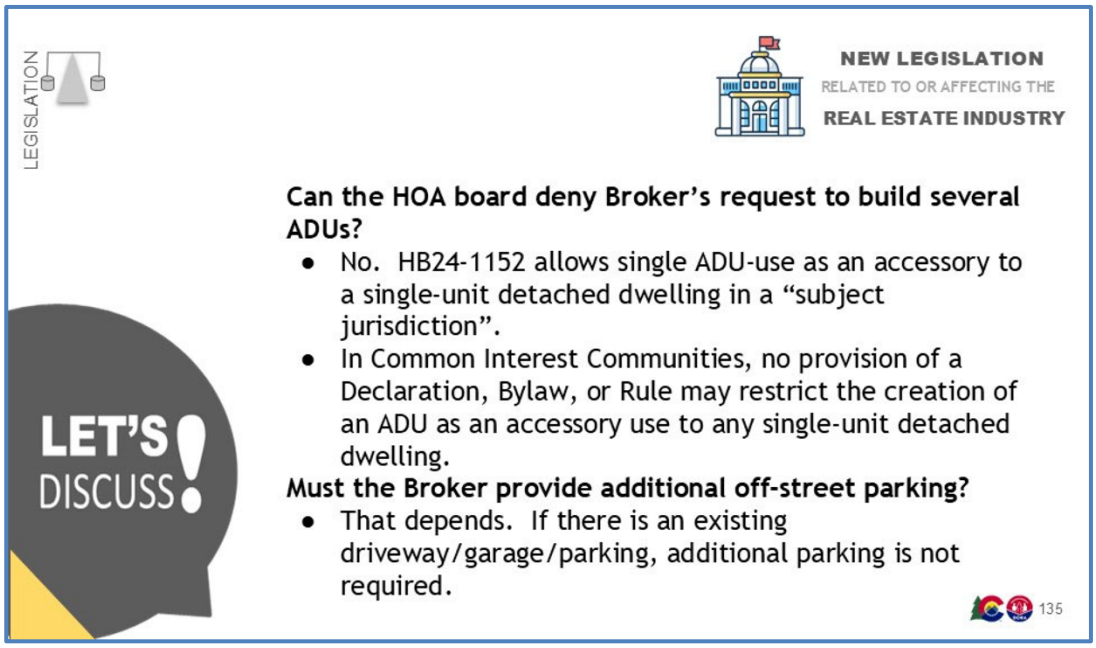
133



Can the board deny Broker's request to build several ADUs?

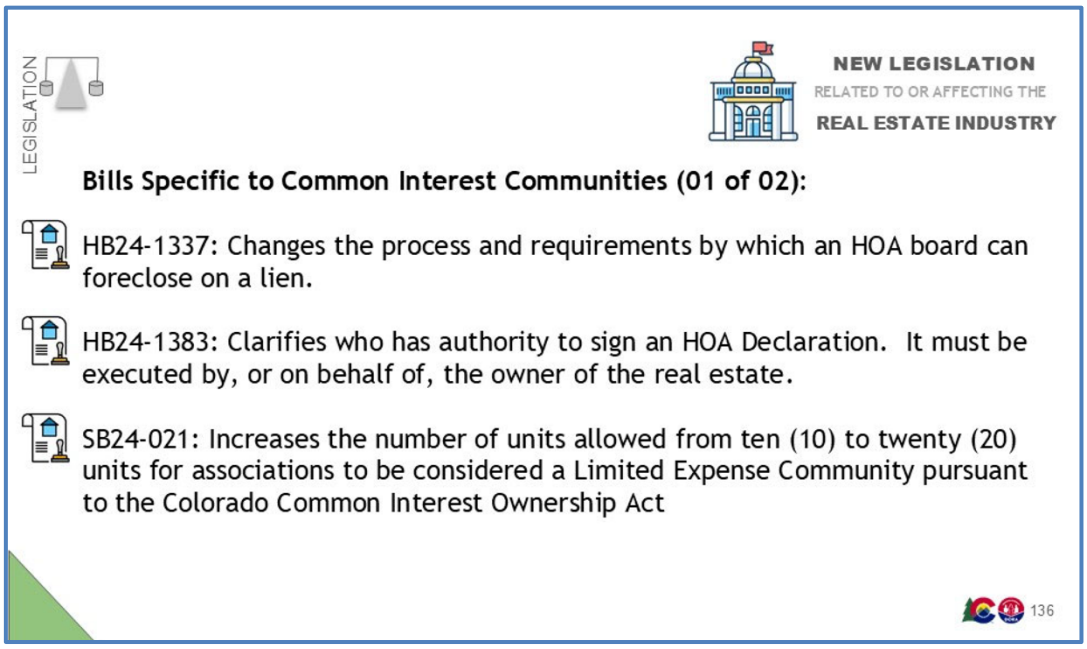
No. HB24-1152 allows single ADU use as an accessory to a single-unit detached dwelling in "subject jurisdiction."

A "Subject Jurisdiction" means either:

- A municipality that both has a population of one thousand or more, and is within a metropolitan planning organization, or
- The portion of a county that is both within a census designated place with a population of 40,000 or more and is within a metropolitan planning organization. In Common Interest Communities, no provision of a Declaration, Bylaw, or Rule may restrict the creation of an ADU as an accessory use to any single unit detached dwelling. If any such provision was passed/implemented, whether before the effective date of HB24-1152 or after the effective date of HB24-1152, such restriction is void as a matter of public policy.

Must the Broker provide additional off-street parking?

- Maybe. It depends on if there is existing off-street parking available to address the increased residential capacity.
- Parking, Owner-Occupied Rules, and overly restrictive designs are not permitted. Local authorities and associations may not require:
    - New off-street parking, as long as there is an existing driveway, garage, tandem parking space, or other off-street parking space or a parking space is required by an applicable zoning district.
    - The ADU or other dwelling on the same lot to be owner-occupied.
    - A restrictive design or dimension standard. For Common Interest Communities, a Reasonable Restriction is defined as a "substantive condition or requirement that does not unreasonably increase the cost to construct, effectively prohibit the construction of, or extinguish the ability to otherwise construct an Accessory Dwelling Unit."



Every year, the legislature offers a variety of bills that affect Common Interest Communities more directly. Common Interest Communities include homeowners' associations, property owners' associations, condominium associations, cooperatives, etc.).

HB24-1337: Concerning The Rights Of A Unit Owner In A Common Interest Community In Relation To The Collection Of Amounts Owed By The Unit Owner To The Common Interest Community

An association may only foreclose on a lien as long as the association has performed one of the three (3) following functions:

1. Obtained a personal judgment against the unit owner in a civil action; or
2. Attempted to bring a civil action against the unit owner but was prevented by the death of or incapacity of the unit owner; or
3. Attempted to bring a civil action against the unit owner but the association was unable to serve the unit owner within 180 days.

An association has authority to foreclose on a lien if the unit owner is in a bankruptcy civil action.

This bill limits the reimbursement amount for attorney fees the HOA may seek to collect from a unit owner who is delinquent on assessments to 1) $5,000, or 2) 50% of the original money owed, whichever is less.

This bill establishes a right of redemption for 180 days following a foreclosure sale.

Note: This bill does not affect the ability of the association to foreclose during a payment plan offered by the association in accordance with 38-33.3-209.5, C.R.S. An association may not foreclose on a lie if the unit owner is in compliance with a payment plan.

HB24-1383: Concerning Declarations That Form Common Interest Communities Under The "Colorado Common Interest Ownership Act"

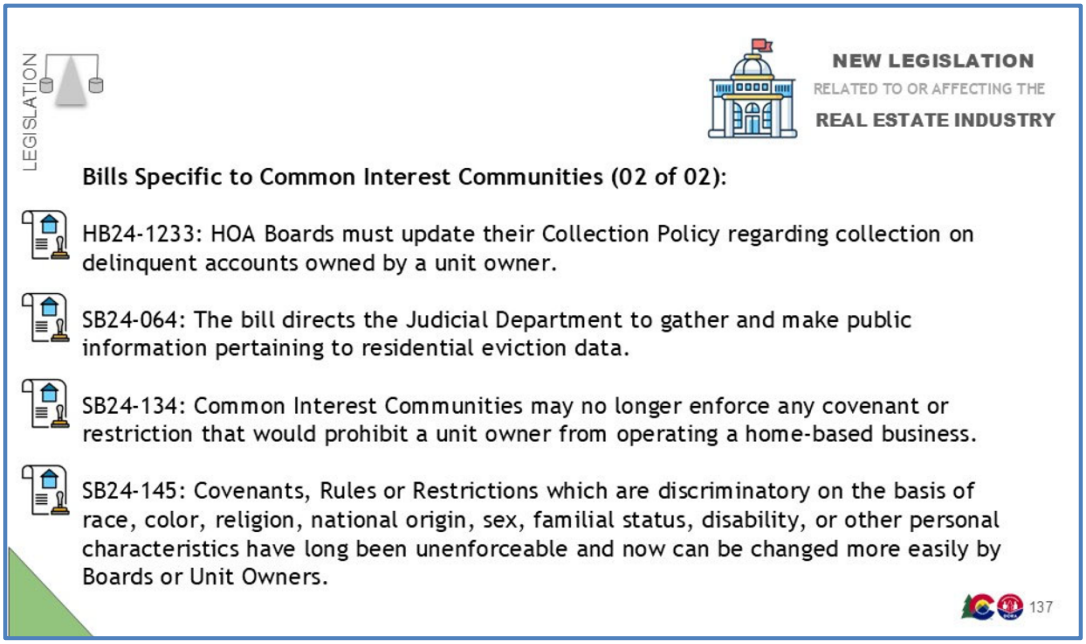
A declaration to a Common Interest Community must be executed by, or on behalf of, the owner of the real estate. In most cases, the owner of the real estate is the developer of the common interest community (or the "Declarant").

Any amendment to a declaration that adds real estate to an existing Common Interest Community must be executed by, or on behalf of, the owner(s) of the real estate to be added, as shown by the records of the county clerk and recorder's office of the county where the real estate is located.

SB24-021: Concerning Exempting Certain Small Communities From Certain Requirements Of The "Colorado Common Interest Ownership Act"

This bill consolidates the exception for smaller associations (what are commonly referred to as Limited Expense Communities) by increasing the number of units allowed from ten (10) to twenty (20) units for associations created between the years 1992 and 1998, and uniformly applies the common expenses threshold and inflation adjustment regardless of when an HOA was created.

The bill provides that a cooperative or planned community that may claim the exemption may elect instead to be subject to all of CCIOA by adopting an amendment to its declaration evidencing its election.



HB24-1233: Concerning Modifications To Certain Procedural Requirements With Which A Unit Owners' Association Must Comply When Seeking Payment of Delinquent Amounts Owed By A Unit Owner

Requires associations to update their Collection Policy, one of the nine required responsible governance policies required by the Colorado Common Interest Ownership Act (CCIOA, pronounced Kiowa)

SB24-064: Concerning Requiring The Judicial Department To Make Residential Eviction-Related Information Available To The Public, And, In Connection Therewith, Making An Appropriation

The bill directs the Judicial Department to gather and make public information pertaining to residential eviction data.

This information may prove valuable for property managers and Common Interest Communities and can be shared with consumers and property owners.

SB24-134: Concerning The Operation Of A Home-Based Business In A Common Interest Community

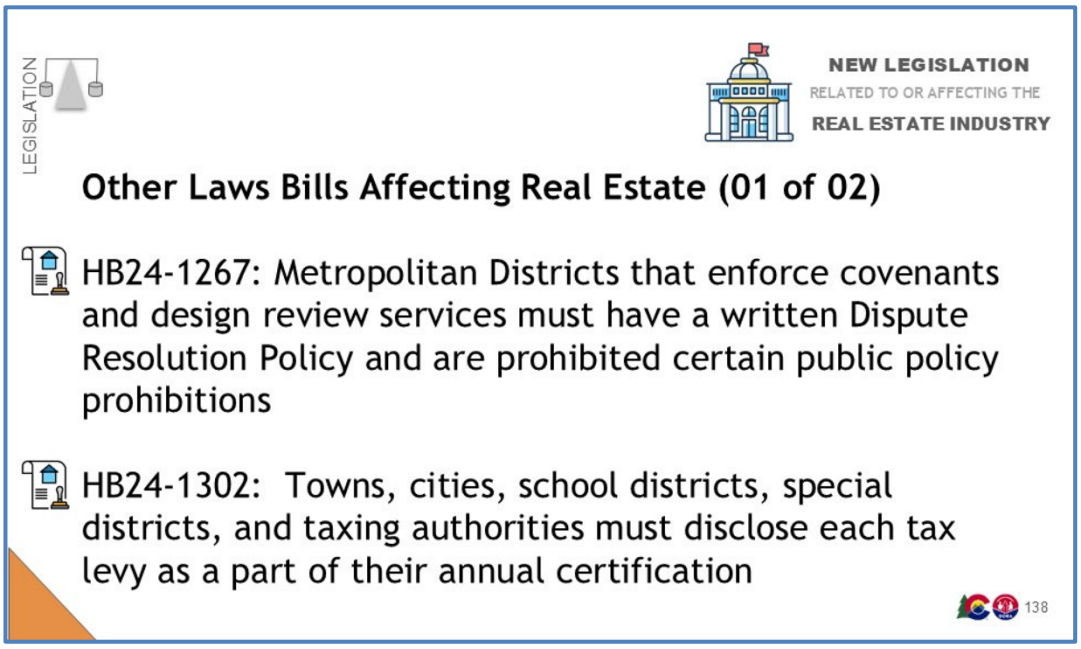
Common Interest Communities may no longer enforce any covenant or restriction that would prohibit a unit owner from operating a home-based business.

Any business must be operated in accordance with reasonable and applicable rules and regulations governing architectural control, parking, landscaping, noise, or nuisance.

SB24-145: Concerning The Enactment Of The "Uniform Unlawful Restrictions In Land Records Act"

Covenants, Rules or Restrictions which are discriminatory on the basis of race, color, religion, national origin, sex, familial status, disability, or other personal characteristics have long been unenforceable.

SB24-145 created a mechanism by which the board or unit owners can have any such offending language removed from the Declaration of Covenants, Conditions and Restrictions.



HB24-1267: Concerning Requiring A Metropolitan District Engaging In Covenant Enforcement Activities To Comply With Certain Policies Related To Covenant Enforcement

For certain Metropolitan Districts, this bill limits the authority to foreclose on liens and imposes restrictions on Metropolitan Districts.

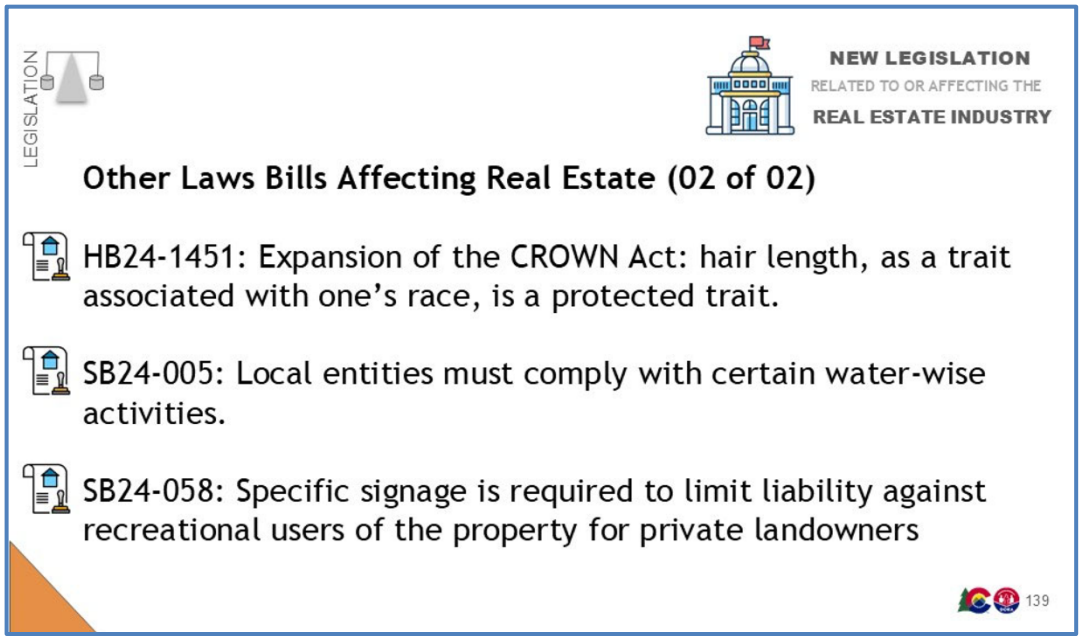
If Metropolitan Districts enforce covenants, they must have a written Fines Policy.

If Metropolitan Districts enforce covenants and design review services, they must have a written Dispute Resolution Policy.

Metropolitan Districts are prohibited from enforcing certain public policy issues, similar to those found in CCIOA (display of flags, display of certain signs, defensible space for fire mitigation, use of rain barrels, and operation of a family childcare home, etc.).

HB24-1302: Concerning Information To Real Property Owners Regarding Property Taxes, And, In Connection Therewith, Making An Appropriation

Towns, cities, school districts, special districts, and other taxing authorities must disclose each tax levy as a part of their annual certification. This information is publicly available, and brokers should consider making their buyers aware of these disclosures so that they are fully informed of the cost of housing.



HB24-1451: Concerning Protections Against Discrimination Based On Hair Length That Is Associated With One's Race

Previous versions of the ACU have discussed the CROWN Act: (Creating A Respectful and Open World For Natural Hair Act).

Previously, hair texture, hair type, and protective hairstyles were protected against discrimination in public education, employment, and housing practices.

This bill now adds hair length to the list of traits associated with one's race as a protected trait.

SB24-005: Concerning The Conservation Of Water In The State Through The Prohibition Of Certain Landscaping Practices

Local Entities (cities, counties, special districts, and metropolitan districts) are prohibited from installing, planting, or placing any nonfunctional turf, artificial turf, or invasive species, as part of a new development project or redevelopment project after January 1, 2026.

Brokers should consider making their buyers aware of these changes as it may affect the expectations and future use of community elements.

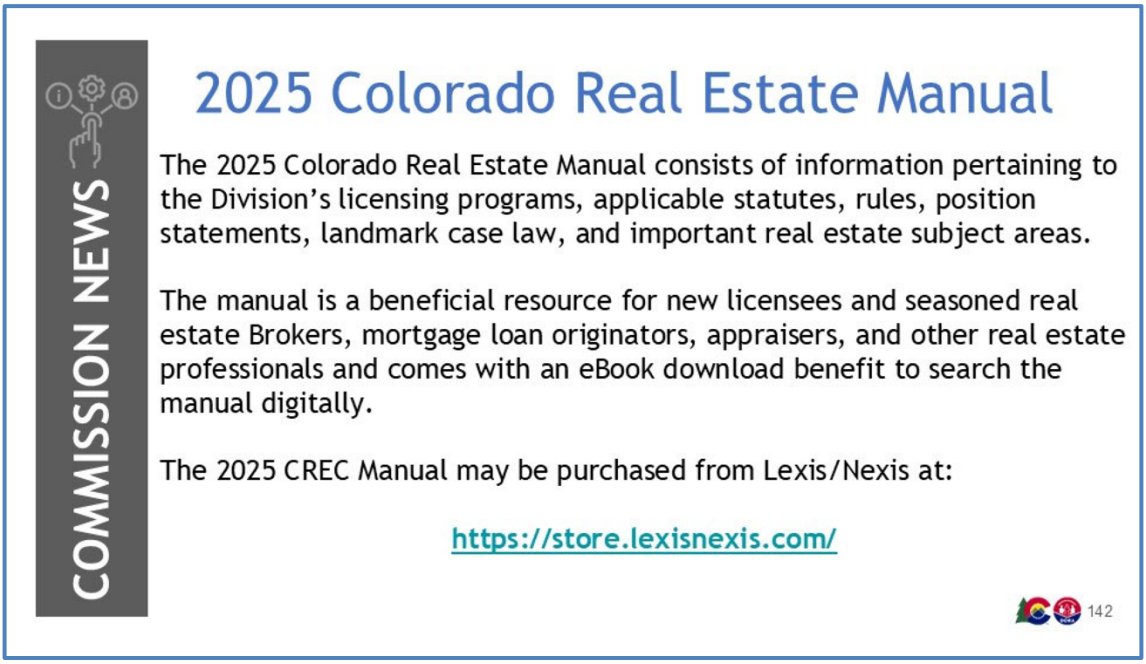
SB24-058: Concerning Landowner Liability Under The Colorado Recreational Use Statute

Requires specific signage (requirements set forth in the bill) to be posted by landowners in order to protect an owner from certain negligence against recreational users of the property.

Commission News and Resources

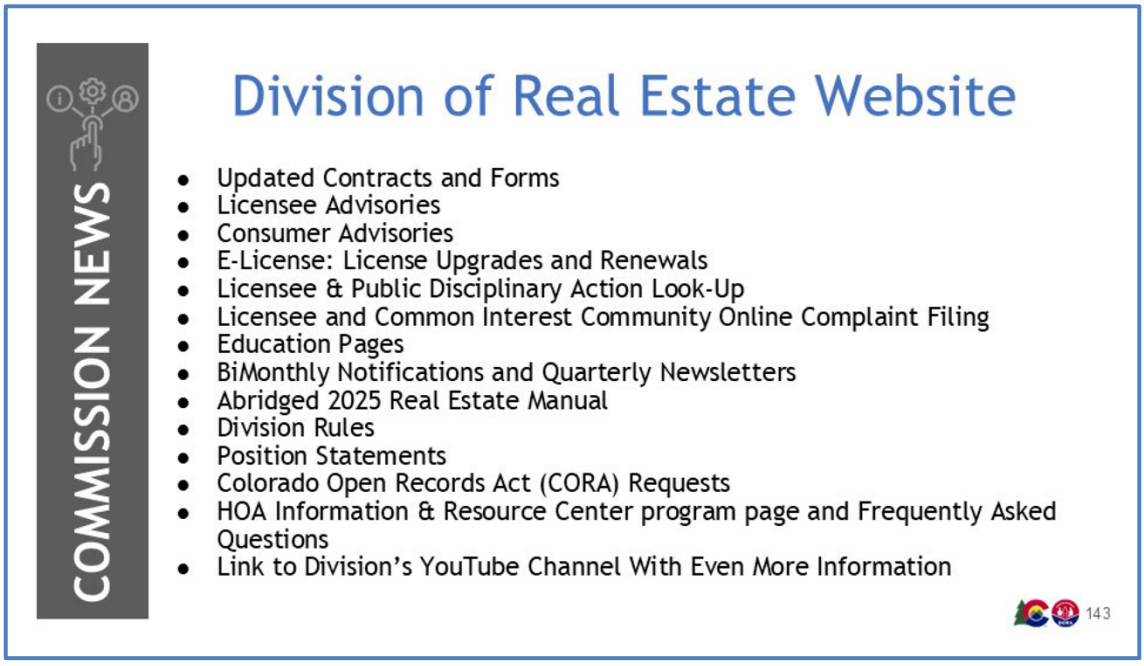
Effective March 30, 2024, new rules governing real estate brokers became effective. Rules changes are related to:

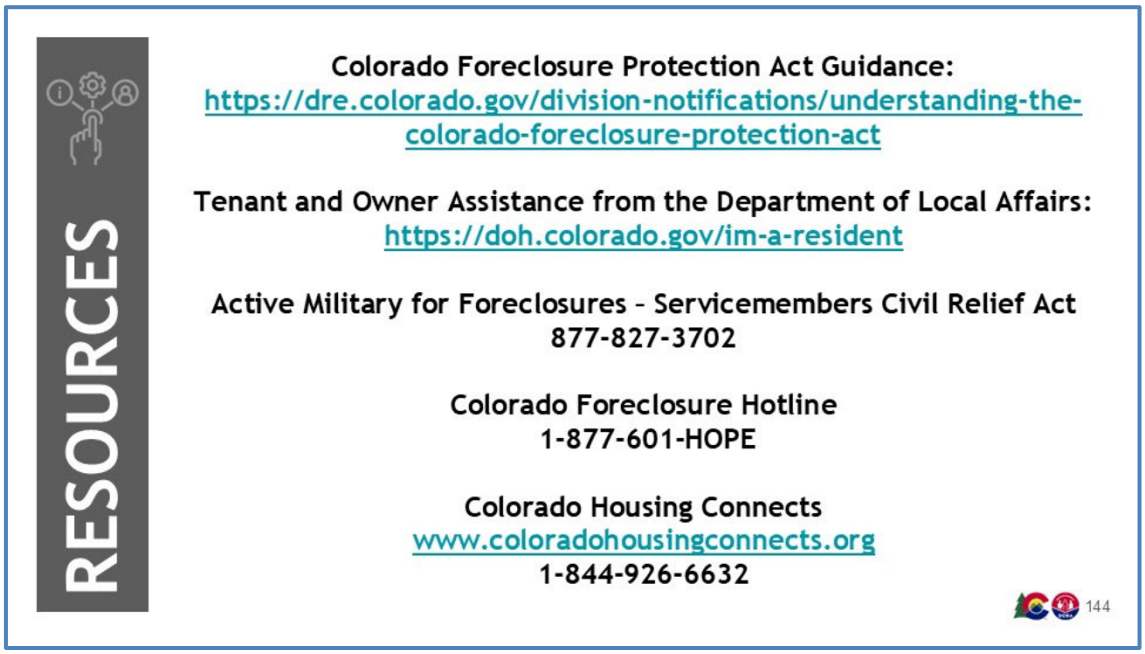
1. Updated definitions
2. Commission-approved forms
3. Continuing education requirements
4. Use and handling of trust or escrow accounts, security deposits, and rental proceeds
5. Disclosure of confidential information
6. Accuracy of electronic media and advertising
7. Sign crossing
8. Property access
9. Commission's review of initial decisions and exceptions
10. Implementation of a data security policy
11. Use of mark-ups
12. Use of non-Commission approved Contracts to Buy and Sell
13. Compliance with federal law H.R. 7939, which allows for license portability for members of the military and their spouses.



The Colorado Real Estate Manual is as essential tool for all licensees-both newly licensed and seasoned professionals. It is updated annually with current situation, statutes, and regulations.

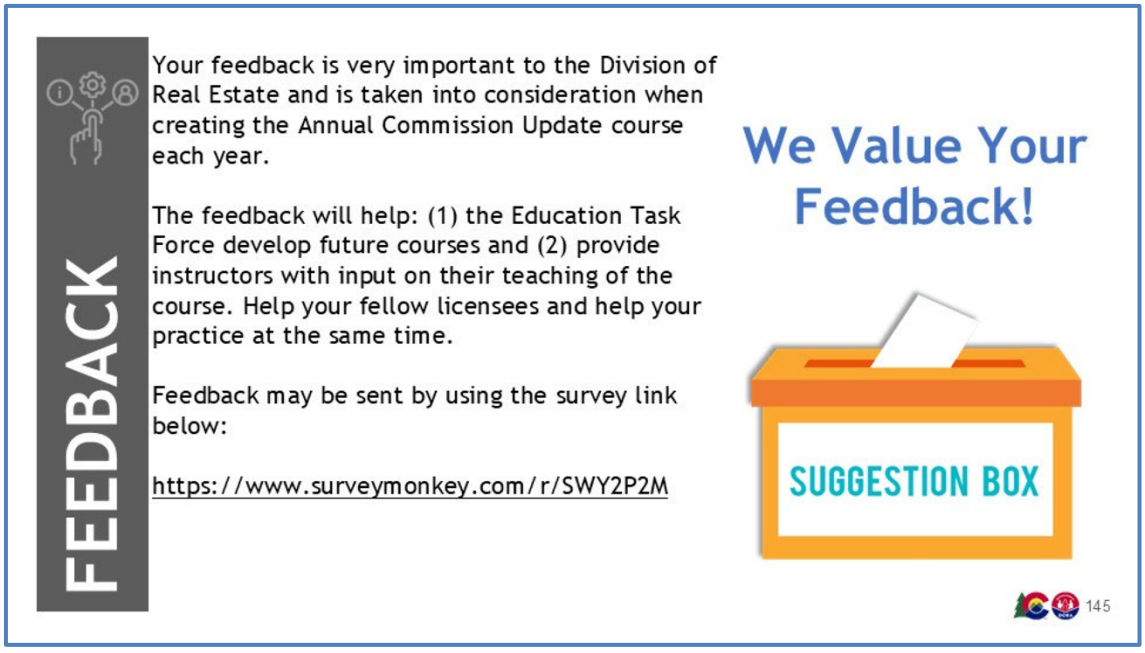
Purchasing the Colorado Real Estate Manual from the link on the slide, https://store.lexisnexis.com/, will come with a digital eBook so you can take it with you everywhere you go.



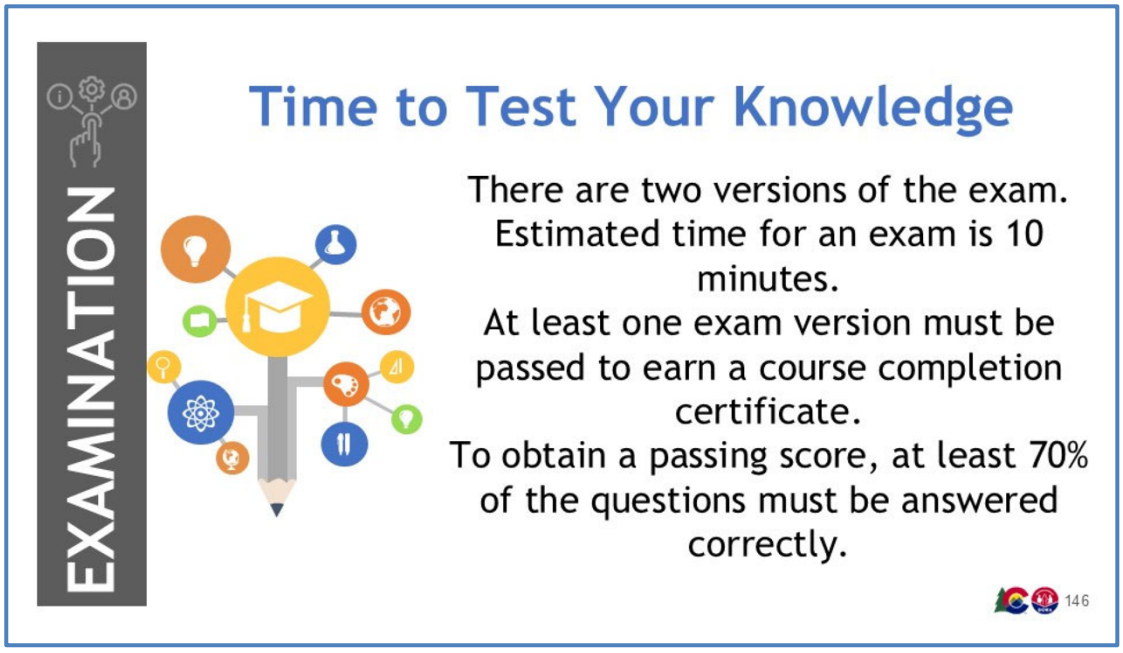


As evidenced by local and state law changes in 2024 and statistical data, housing continues to be a significant issue. Housing availability, taxes, cost of housing, foreclosure, and eviction continue to be important and pressing issues in our Colorado communities. This slide identifies various resources all licensees should be aware of to aid their consumers, as well as the general public.

Licensees can encourage consumers in need to reach out.



The Division carefully reviews and analyzes this information every year to improve the Annual Commission Update course. Student input is essential to improvement. The Division hopes to receive feedback on this course, and input for future courses as well as input on how instructors are teaching the course.



This examination should take roughly 10 minutes.

If a participant is unable to pass the first exam, a second exam is available and can be administered.

If a participant is unable to pass both versions of the exam, the instructor **MUST** review the areas the participant is not understanding.

Once the instructor feels comfortable that the participant has understood the information, a course completion certificate may be granted.