

# **Real Estate Agency**

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# Law and Rule Required Course 2022-2023

For courses offered January 1, 2022 to December 31, 2023

# **OVERVIEW**

This document provides the course content for the 3-hour Law and Rule Required Course (LARRC) approved by the Oregon Real Estate Board. All real estate licensees must take and complete LARRC from a certified continuing education provider to meet the requirement to take a 3-hour continuing education course on recent changes in real estate rule and law found in ORS 696.174.

Please note: Real estate licensees renewing active licenses or reactivating licenses on or after July 1, 2022, must complete this specific LARRC containing fair housing content to qualify for renewal or reactivation. (House Bill 2703, Oregon Laws 2021, Chapter 161)

This document will be posted on the Oregon Real Estate Agency's website at www.oregon.gov/rea.

# **HOW TO OFFER LARRC**

A Certified Continuing Education Provider must meet all the <u>requirements and responsibilities of a LARRC provider</u>, including:

- Notifying the Oregon Real Estate Agency by logging in to your elicense account if you have not done so before.
- Developing your LARRC course using this document.
  - Use the written learning objectives for the required course topics.
  - Write your own learning objectives for the optional topics that you may choose to include in your LARRC course.
- Ensuring that your LARRC course will take each licensee a minimum of 3 hours to complete. A
  break of no more than 10 minutes per hour of instruction may be allowed.
- Making sure your advertising and certificates of attendance indicate name of the course as the "Law and Rule Required Course 2022-2023." You may also use the abbreviation "LARRC 2022-2023."
- Confirming that you have a completed and signed <u>Continuing Education Instructor Qualification</u>
  <u>Form</u> for each instructor teaching the course.
- Maintaining records as required in OAR 863-020-0055.

### COURSE CONTENT

The LARRC course content approved by the Oregon Real Estate Board has required course topics and optional course topics.

# Required topics

The required topics were developed from changes made to Oregon Revised Statute 696 and Oregon Administrative Rule 863, as well as input from Board, the Oregon Real Estate Agency staff, and other stakeholders. Learning objectives have been provided.

# Optional topics

The optional topics were compiled from legislation passed in the 2017 session that the Board determined may have an effect on real estate licensees in Oregon. Additionally, other topics were added that the Board feels may benefit real estate licensees. The topics were developed with input from the Board, the Oregon Real Estate Agency staff, and other stakeholders.

Each continuing education provider is responsible for making sure that learning objectives are developed for each of the optional topics that the provider chooses to include in the LARRC offered by the provider.

### Special Interest LARRC Classes

Certified continuing education providers may offer LARRC classes aimed at a specific type of licensee. Such classes must contain the required course topics, but may focus on optional topics approved by the Board that have a particular interest to licensees who manage rental real estate or are responsible for Registered Business Names.

There is no requirement to offer such a course; the decision to offer a special interest LARRC course would be a business decision made by the provider.

A provider who chooses to create such a class must still name it on advertising and the certificates of attendance as "Law and Rule Required Course 2022-2023."

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# Law and Rule Required Course (LARRC) Required Topics

Effective January 1, 2022 through December 31, 2023

# ADVERTISING RULES UPDATE – OAR 863 DIVISION 14, 15, 24 & 25

https://secure.sos.state.or.us/oard/displayChapterRules.action?selectedChapter=174

Oregon Real Estate News Journal December 2020

# Overview:

The Agency updated the administrative rules regulating real estate licensee advertising. The following rules were created or revised: OAR 863-014-0067, 863-015-0125, 863-015-0145, 863-024-0067, and 863-025-0125.

# Learning Objectives:

Upon completion of this course, the licensee will be able to:

- Define advertising.
- Explain brokers are now responsible for understanding and complying with the advertising rules.
- Understand principal brokers are no longer required to approve the advertising of their associated brokers.
- Explain a real estate licensee who is not the authorized licensee for a registered business as defined in 863-014-0063(1)(a) cannot overstate or misrepresent their role within the registered business name.
- Describe the requirement for advertising to be truthful and not deceptive.
- Recall property managers now have their own advertising rule in OAR 863 division 25.
- Understand licensees can register an alternative name with the Agency to use in advertising.
- Outline the online registration process for the alternative name registration.
- Recall licensees must use their license number when advertising with a registered alternative name.
- Apply the requirements when advertising on social media.
- Understand licensees are no longer required to use "licensed in Oregon" in online advertising.

# **HOUSE BILL 3113**

https://olis.oregonlegislature.gov/liz/2021R1/Downloads/MeasureDocument/HB3113/Enrolled

# Overview:

Clarifies exemptions on rent increase limits for landlords renting a residential dwelling unit regulated as affordable housing by a federal, state, or local government.

# Learning Objectives:

Upon completion of this course, the licensee will be able to:

 Recall that a landlord who rents a dwelling unit regulated as affordable housing by federal, state, or local government is exempt from rent increase limits if the change in rent does not increase tenant's portion of the rent, or is required by program eligibility requirements or by a change in tenant's income.

# **SENATE BILL 278**

https://olis.oregonlegislature.gov/liz/2021R1/Downloads/MeasureDocument/SB278/Enrolled
Oregon Housing and Community Services Rent Guarantee Program

### Overview:

Requires landlords and courts to delay termination of residential tenancies for nonpayment for 60 days if tenant provides documentation of application for rental assistance.

# Learning Objectives:

Upon completion of this course, the licensee will be able to:

- Explain the notice required with a termination for nonpayment of any charges.
- Understand the financial assistance available on a per-tenant basis, rather than a per-landlord basis.
- Explain the limits on Rent Guarantee Program Fund payments have increased from a maximum of \$5,000 per landlord to a maximum of \$5,000 per eligible tenant.
- Explain that landlords and courts must delay termination of residential tenancies for nonpayment for 60 days if the tenant provides documentation of application for rental assistance.
- Recognize implication if sales transaction occurs under the above conditions.

### SENATE BILL 291

https://olis.oregonlegislature.gov/liz/2021R1/Downloads/MeasureDocument/SB291/Enrolled

# Overview:

Requires landlords who require applicant screening charges to adopt certain written screening criteria made available to applicants before accepting application.

# Learning Objectives:

Upon completion of this course, the licensee will be able to:

- Understand that a landlord is required to provide written notice of screening criteria upon requiring an applicant screening charge.
- Describe circumstances where landlords are required to provide applicants with certain information when issuing a denial.
- Explain that a landlord can only consider an applicant's history of previous arrests if the applicant
  was convicted of the charges or the charges are pending and the applicant is not currently
  participating in a diversion, conditional discharge, or deferral of judgement program on the
  charges.

# FEDERAL AND STATE FAIR HOUSING LAWS (IMPLEMENTING HB 2703)

### Fair Housing Act

# Overview:

The purpose of fair housing laws and rules is to prevent discrimination of people on the basis of a protected class during a property transaction. Federal, state and local regulations prohibits brokers, sellers, lenders, and insurers from adopting discriminatory policies against people in protected classes.

Oregon's House Bill 2703 was enacted to ensure Oregon real estate licensees learn about state and federal fair housing laws as part the continuing education requirement to renew an active license or reactivate a license. The new requirement becomes effective July 1, 2022.

The Fair Housing Act prohibits discrimination in the sale, rental, and financing of housing based on race, color, national origin, religion, sex, familial status, and disability. In addition to the federal protected classes, the state of Oregon has included additional protected classes, and many local governments have included even more.

# Learning Objectives:

Upon completion of this course, the licensee will be able to:

- List the federal protected classes.
- Describe the history of discriminatory practices by regulators and industry professionals related to restricted covenants, redlining, blockbusting, and steering that led to the creation of the Fair Housing Act.
- Define blockbusting.
- Define redlining.
- Define steering.
- Define implicit bias.
- Define disparate impact.
- List Oregon's protected classes (source of income, domestic violence survivors, marital status, sexual orientation, and gender identity, see <u>Oregon Revised Statute (ORS) chapter 659A</u>, <u>Oregon</u> <u>Administrative Rule chapter 839</u>, and <u>ORS 90.445</u>) and compare with the federal protected classes.
- Identify when parties are exempt from the Fair Housing Act (Federal Fair Housing Act Sec. 803(b)).
- Describe the real estate property types covered in the Fair Housing Act (<u>Federal Fair Housing Act Sec. 803.</u>).

- Explain fair housing advertising guidelines (Federal Fair Housing Act Sec. 804(c)).
- Understand under what circumstances reasonable accommodations and reasonable modifications
  are necessary to allow persons with disabilities to enjoy their housing (<u>Federal Fair Housing Act</u>
  Sec. 804(f)(3))
- Understand the laws that govern protections from discrimination against disability at the federal level (Federal Fair Housing Act Sec. 804).
- Identify prohibited actions involving the sale and rental of housing under the Fair Housing Act (Federal Fair Housing Act Sec. 804 through 806):

# Real Estate Transaction:

Based on protected classes, an individual subject to fair housing laws, including Oregon real estate licensees, **cannot**:

- Refuse to sell or negotiate in the sale of housing.
- Falsely deny that housing is available for an inspection.
- Make housing unavailable.
- Indicate any preference, limitation, or discrimination within any statement, advertisement, or published notice.
- Discourage the purchase of a dwelling.

# o **Property Management:**

Based on protected classes, an individual subject to fair housing laws, including Oregon real estate licensees, **cannot**:

- Discourage the rental of a dwelling.
- Refuse to rent or negotiate, in the rental of housing.
- Make housing unavailable.
- Set different terms, conditions or privileges for the rental of a dwelling.
- Provide a person different housing services or facilities.
- Indicate any preference, limitation or discrimination within any statement, advertisement, or published notice.
- Threaten, intimidate or interfere with a person's enjoyment of a dwelling. This
  includes visitors or associates of the tenant.
- Threaten an employee or agent with firing or other negative action for any legal, non-discriminating, pro-regulatory, effort to help someone rent a unit.
- Limit privileges, services or facilities of a dwelling.
- Fail or delay maintenance or repairs.
- Fail to investigate or address allegations that a tenant or group of tenants is harassing or threatening another tenant.
- Retaliate against a person who has made a complaint, testified, or in any way assisted with proceedings under the Fair Housing Act.

### Rental Screening Process:

Based on protected classes, an individual subject to fair housing laws, including Oregon real estate licensees, **cannot**:

- Use different qualification criteria or applications.
- Use different rental standard or procedures, such as income standards, application fees, credit analyses, or rental approval procedures or other requirements.
- Recognize prohibited actions relating to mortgage lending under the Fair Housing Act (Example: Refuse to make a mortgage loan or provide other financial assistance for a dwelling.).

- Cite contemporary examples of fair housing law violations that make these issues relevant today.
- Understand the two categories that fall under sexual harassment, quid pro quo and hostile environment.
- Recall Oregon Bureau of Labor & Industries (BOLI) is Oregon's governing agency that reviews complaints, regulates, and assesses civil penalties for fair housing violations.
- Understand that BOLI and the Oregon Real Estate Agency share complaint information and report findings regarding fair housing violations.
- Explain how to submit a fair housing complaint:
  - o BOLI, Civil Rights Division (here).
  - U.S. Department of Housing and Urban Development (here).

# Additional Resources:

U.S. Housing and Urban Development

- Fair Housing Rights and Obligations
- Info for Real Estate Brokers and Agents
- Equal Housing Opportunities for Individual for Disabilities Overview
- Advertising and Marketing
- Memorandum on Guidance Regarding Advertisements Under § 804(c) of the Fair Housing Act
- Equal Housing Opportunity Graphics for Printing
- Fair Lending Guide
- Fair Housing Types of Housing Covered

Oregon Bureau of Labor and Industries (BOLI)

- Fair Housing Page
- Housing Discrimination Page

Fair Housing Council of Oregon

- Fair Housing Council of Oregon Home Page
- Information for Housing Providers
- Protected Classes in Oregon by City and County

# Law and Rule Required Course (LARRC) Optional Topics

Effective January 1, 2022 through December 31, 2023

In addition to the required course topics listed above, a certified continuing education provider may include the following subjects.

# 2021 OREGON LEGISLATION

# House Bill 2037

Increases limits for loans for certain business development projects made with moneys from Oregon Business Development Fund and provides annual adjustments of limits for changes in Consumer Price Index.

# House Bill 2009

Establishes temporary limitation on lenders' remedies for borrowers' failures to make payments on obligations secured by mortgage trust deeds or land sale contracts for certain real property.

# House Bill 2534

Requires homeowners associations and condominium associations to review governing documents and remove discriminatory langrage or certify the nonexistence of such language on or before December 31, 2022.

# House Bill 2583

Prohibits establishment or enforcement of occupancy limits based on familial relationships on residential dwelling units by public bodies.

# House Bill 2703

Real estate licensees renewing or reactivating a license on or after July 1, 2022, must complete an Oregon Real Estate Board-approved course (Law and Rule Required Course) that includes required topics on state and federal fair housing laws.

# House Bill 2966

Relating to termination of commercial tenancies; and declaring an emergency. Extends grace period for repayment of rent for certain tenants.

# House Bill 3030

Allows professional licensing boards to issue a nonrenewable temporary authorization to an individual who is the spouse of a member of the Armed Forces of United States stationed in Oregon and holds an eligible out-of-state authorization to provide occupational or professional service.

## Senate Bill 8

Requires local governments to allow development of certain affordable housing on lands not zoned for residential uses.

# Senate Bill 282

Extends grace period for repayment of residential rent accrued during emergency period of April 1, 2020, to June 30, 2021, until February 28, 2022.

# Senate Bill 458

Allows land division to separate dwelling units for new middle housing allowed in cities.

# Senate Bill 765

Makes permanent provisions allowing notary public to perform notarial act using communication technology for remotely located individuals under certain circumstances.

# Senate Bill 829

Reorganizes and clarifies the process for eviction in foreclosure proceedings.

# ADDITIONAL OPTIONAL TOPICS

- How to conduct business using eLicense, the Agency's online electronic licensing management system, including:
  - o Registering an alternative name for the purposes of advertising.
  - o Adding or **removing** clients trust accounts
  - o Changing your legal name
  - o Registered Business Name Renewal
  - o Transferring in and inactivating a licensee
  - o Renewing your license
- Review of recent administrative actions taken against licensees found on the <u>Administrative</u>
   Actions page.
- Review of recent articles found in the Oregon Real Estate News Journal.
- Review of Oregon Administrative Rules chapter 863.
- Review the difference between statutes and rules.
- Review the role of the Oregon Real Estate Agency, including:
  - o Education and examination for brokers, principal brokers and property managers.
  - o Licensing and regulation of real estate principal brokers, brokers, property managers and escrow and escrow agents.
  - Regulation of condominiums, timeshare and campground registrations, real estate marketing organizations, out-of-state subdivisions, and certain manufactured dwelling subdivisions.
  - o Investigation of complaints against real estate licensees and escrow agents, and investigation of cases of unlicensed professional real estate activity.
- Issues concerning radon, including information to alert potential buyers of one- and two-family dwellings.