

067702204

**HOUSE BILL NO. 316****AMENDMENT IN THE NATURE OF A SUBSTITUTE**(Proposed by the House Committee on General Laws  
on January 31, 2006)

(Patron Prior to Substitute—Delegate Albo)

*A BILL to amend and reenact §§ 54.1-2105, 54.1-2130 through 54.1-2134, 54.1-2138, and § 54.1-2141 of the Code of Virginia and to amend the Code of Virginia by adding sections numbered 54.1-2138.1 and 54.1-2145, relating to the Real Estate Board; duties of licensees; limited service representatives.*

**Be it enacted by the General Assembly of Virginia:**

**1. That §§ 54.1-2105, 54.1-2130 through 54.1-2134, 54.1-2138, and § 54.1-2141 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding sections numbered 54.1-2138.1 and 54.1-2145, as follows:**

§ 54.1-2105. General powers of Real Estate Board; regulations; educational and experience requirements for licensure; continuing education.

A. The Board may do all things necessary and convenient for carrying into effect the provisions of this chapter and may promulgate necessary regulations.

B. The Board shall include in its regulations educational requirements as conditions for licensure to ensure the protection of the public interest. The Board is authorized to regulate any school that is established to offer real estate courses except such schools as are regulated by another state agency. Such authority shall include, but not be limited to, qualification of instructors, approval of course curricula and requirement that such schools submit evidence of financial responsibility to ensure that these schools protect the public health, safety and welfare. The Board shall have the discretion to waive any requirement under the regulations relating to education or experience when the broker or salesperson is found to have education or experience equivalent to that required. No regulation imposing educational requirements for initial licensure beyond those specified by law shall apply to any person who was licensed prior to July 1, 1975, and who has been continuously licensed since that time, except that licensure as a salesperson prior to such time shall not exempt a salesperson who seeks to be licensed as a broker from the educational requirements established for brokers. Regulations promulgated by the Board *relating to initial licensure* shall include the following requirements:

1. a. Every applicant to the Board for an initial license as a real estate salesperson shall have completed a course in the principles of real estate which carried an academic credit of at least three semester hours or six quarter hours (but not less than 45 hours of classroom or correspondence or other distance learning instruction in any case). The course shall be one offered by an accredited university, college, community college, high school offering adult distributive education courses, or other school or educational institution offering an equivalent course.

b. However, on and after January 1, 1991, the academic credit required for the initial license as a real estate salesperson shall be at least four semester hours, but not less than 60 hours of classroom, correspondence or other distance learning instruction.

2. Every applicant to the Board for an initial license as a real estate broker shall have completed not less than 12 semester hours of classroom or correspondence or other distance learning instruction in real estate courses offered by an accredited university, college, community college, or other school or educational institution offering equivalent courses.

C. The Board shall establish criteria to ensure that prelicensure and broker licensure courses meet the standards of quality deemed by the Board to be necessary to protect the public interests. For correspondence and other distance learning instruction offered by an approved provider, such criteria may include appropriate testing procedures. The Board may establish procedures to ensure the quality of the courses.

Noncollegiate institutions shall not be authorized to grant collegiate semester hours for academic credit.

The specific content of the real estate courses shall be in real estate brokerage, real estate finance, real estate appraisal, real estate law, and such related subjects as are approved by the Board.

D. The Board shall establish guidelines for an educational curriculum of at least 30 hours of classroom, or correspondence or other distance learning, instruction, in specified areas, which shall be required of all licensees within the first two years of issuance of a license by the Board. Failure of a new licensee to complete the 30-hour curriculum within two years of obtaining a real estate salesperson's license shall result in nonrenewal by the Board of such license until the curriculum has been completed.

To establish the guidelines required by this subsection, the Board shall establish an industry advisory group to focus on the following three practice tracks: (i) residential real estate, (ii) commercial real estate, and (iii) property management. The industry advisory group shall consist of licensed real estate

60 salespersons and real estate brokers, and meet at the direction of the Board, at least annually, to update  
61 the guidelines in each of the three educational practice tracks. The Board shall review and may approve  
62 educational curriculum developed by an approved school or other provider of real estate education  
63 authorized by this chapter. The industry advisory groups shall serve at no cost to the Board.

64 The guidelines in each of the three practice tracks for new licensees shall include topics that new  
65 licensees need to know in their respective practices, including, but not limited to, contract writing,  
66 handling customer deposits, listing property, leasing property, agency, current industry issues and trends,  
67 property owners' and condominium association law, landlord-tenant law, Board regulations, and such  
68 other topics as designated by the Board. The continuing education requirements of this subsection for  
69 new licensees shall be in lieu of the continuing education requirements otherwise specified in this  
70 chapter and Board regulations.

71 E. The Board shall include in its regulations educational requirements as a condition for relicensure  
72 of brokers and salespersons to whom active licenses have been issued by the Board beyond those now  
73 specified by law as conditions for licensure. Brokers and salespersons to whom active licenses have  
74 been issued by the Board shall be required to satisfactorily complete courses of not less than 16 hours  
75 of classroom or correspondence or other distance learning instruction during each licensing term. Of the  
76 total 16 hours, the curriculum shall include a minimum of eight required hours to include ethics and  
77 standards of conduct, fair housing, legal updates and emerging trends, real estate agency, and real estate  
78 contracts. Fair housing requirements shall consist of a minimum of two hours including an update on  
79 current cases and administrative decisions under fair housing laws. If the licensee submits a notarized  
80 affidavit to the Board which certifies that he does not practice residential real estate and shall not do so  
81 during the licensing term, training in fair housing shall not be required; instead, such licensee shall  
82 receive training in other applicable federal and state discrimination laws and regulations. *The Board*  
83 *shall approve a continuing education curriculum of not less than two hours, and as of July 1, 2007,*  
84 *every applicant for re-licensure as an active salesperson or broker shall complete at a minimum one*  
85 *two-hour continuing education course on limited service agency prior to renewal or reinstatement of his*  
86 *license. If the licensee submits a notarized affidavit to the Board which certifies that he has taken a*  
87 *two-hour continuing education course on limited service agency between July 1, 2006 and June 30,*  
88 *2007 offered by a school approved by the Board, which, in the determination of the Board, covered*  
89 *substantially the information in a continuing education course approved by the Board subsequent to July*  
90 *1, 2007, the licensee may receive credit for the two hours of continuing education. If the licensee*  
91 *submits a notarized affidavit to the Board which certifies that he does not practice residential real estate*  
92 *and shall not do so during the licensing term, training in limited service agency shall not be required.*  
93 *A licensee who takes one two-hour continuing education class on limited service agency shall satisfy the*  
94 *requirements for continuing education and may but shall not be required to take any further continuing*  
95 *education on limited service agency.*

96 The remaining eight hours shall be elective and shall include real estate-related subjects as are  
97 approved by the Board.

98 For correspondence and other distance learning instruction offered by an approved provider, the  
99 Board shall establish the appropriate testing procedures to verify completion of the course and require  
100 the licensee to file a notarized affidavit certifying compliance with the course requirements. The Board  
101 may establish procedures to ensure the quality of the courses. The Board shall not require testing for  
102 continuing education courses completed through classroom instruction.

103 For purposes of this chapter, "distance learning" means instruction delivered by an approved provider  
104 through a medium other than a classroom setting. Such courses shall be those offered by an accredited  
105 university, college, community college, high school offering adult distributive education courses, other  
106 school or educational institution, or real estate professional association or related entities.

107 F. The Board shall include in its regulations, a procedure for processing applications of educational  
108 institutions, real estate professional associations, or related entities, to provide continuing education  
109 courses, which procedure, at a minimum, shall (i) provide for a broad range of subject matters suitable  
110 for the continuing education of licensed professionals in a multifamily residential and commercial office,  
111 as well as single-family residential, sales, leasing and property management; (ii) acknowledge, in  
112 writing, receipt of such applications within 10 calendar days after receipt; and (iii) provide written  
113 notification to the applicant, within 75 calendar days of receipt of the application, whether the  
114 application has been approved or disapproved, and if disapproved, the reasons therefor. In addition, the  
115 Board shall prepare a comprehensive listing of courses, pre-approved by the Board, related to the  
116 professional competency requirements for the multifamily residential and commercial office industries.

117 The Board, through regulation, shall develop criteria for evaluating and approving continuing  
118 education course credits and for awarding credit hours for such courses. The Board shall approve  
119 recommended course titles, content, and hours of continuing education credit developed and published  
120 by national professional real estate trade associations, unless the Board determines in writing that such  
121 titles, content, or credit hours should not be approved and specifies the reasons therefor.

G. As of July 1, 1990, every applicant for relicensure as an active salesperson or broker shall complete the continuing education requirements prior to each renewal or reinstatement of his license. The continuing education requirement shall also apply to inactive licensees who make application for an active license. Notwithstanding this requirement, military personnel called to active duty in the Armed Forces of the United States may complete the required continuing education within six months of their release from active duty.

H. The Board shall also include in its regulations remedial educational requirements for any salesperson or broker who has been inactive for more than three years. The regulations shall require the applicant to meet the educational requirements for a salesperson or broker in effect at the time either becomes active.

I. When the license has been inactive for more than three years, the Board may waive the educational requirements for reactivation of a license under the following conditions: (i) during the time the license has been inactive, the holder of such inactive license has been engaged in an occupation whereby the knowledge of real estate would be retained or (ii) the holder of such license is a member or the spouse of a member of the Armed Forces of the United States who has been permanently assigned outside Virginia for a portion of the time the license has been inactive, and the holder of the inactive license remained current in the field of real estate and demonstrates this fact to the satisfaction of the Board.

#### § 54.1-2130. Definitions.

As used in this article:

"Agency" means every relationship in which a real estate licensee acts for or represents a person by such person's express authority in a real estate transaction, unless a different legal relationship is intended and is agreed to as part of the brokerage relationship. *Agency includes representation of a client as a standard agent or a limited service agent.* Nothing in this article shall prohibit a licensee and a client from agreeing in writing to a brokerage relationship under which the licensee acts as an independent contractor or which imposes on a licensee obligations in addition to those provided in this article. If a licensee agrees to additional obligations, however, the licensee shall be responsible for the additional obligations agreed to with the client in the brokerage relationship agreement. A real estate licensee who enters into a brokerage relationship based upon a written contract which brokerage agreement that specifically states that the real estate licensee is acting as an independent contractor and not as an agent shall have the obligations agreed to by the parties in the contract brokerage agreement, and such real estate licensee and its employees shall have no obligations under §§ 54.1-2131 through 54.1-2135 of this article.

"Brokerage agreement" means the agreement by which a real estate licensee represents a client in a brokerage relationship.

"Brokerage relationship" means the contractual relationship between a client and a real estate licensee who has been engaged by such client for the purpose of procuring a seller, buyer, option, tenant, or landlord ready, able, and willing to sell, buy, option, exchange or rent real estate on behalf of a client.

"Client" means a person who has entered into a brokerage relationship with a licensee.

"Common source information company" means any person, firm, or corporation that is a source, compiler, or supplier of information regarding real estate for sale or lease and other data and includes, but is not limited to, multiple listing services.

"Customer" means a person who has not entered into a brokerage relationship with a licensee but for whom a licensee performs ministerial acts in a real estate transaction. Unless a licensee enters into a brokerage relationship with such person, it shall be presumed that such person is a customer of the licensee rather than a client.

"Designated agent" or "designated representative" means a licensee who has been assigned by a principal or supervising broker to represent a client when a different client is also represented by such principal or broker in the same transaction.

"Dual agent" or "dual representative" means a licensee who has a brokerage relationship with both seller and buyer, or both landlord and tenant, in the same real estate transaction.

"Licensee" means real estate brokers and salespersons as defined in Article 1 (§ 54.1-2100 et seq.) of Chapter 21 of this title.

"Limited service representative" means a licensee who acts for or represents a client with respect to real property containing from one to four residential units, pursuant to a brokerage agreement that provides that the limited service representative will not provide one or more of the duties set forth in subdivision A 2 of §§ 54.1-2131, 54.1-2132, 54.1-2133, and 54.1-2134, inclusive. A limited service representative shall have the obligations set out in the brokerage agreement, except that a limited service representative shall provide the client, at the time of entering the brokerage agreement, copies of any and all disclosures required by federal or state law, or local disclosures expressly authorized by state law, and shall disclose to the client the following in writing: (i) the rights and obligations of the

183 client under the Virginia Residential Property Disclosure Act (§ 55-517 et seq.); (ii) if the client is  
184 selling a condominium, the rights and obligations of the client to deliver to the purchasers, or to receive  
185 as purchaser, the condominium resale certificate required by §55-79.97; and (iii) if the client is selling  
186 a property subject to the Property Owners' Association Act (§55-508 et seq.), the rights and obligations  
187 of the client to deliver to the purchasers, or to receive as purchaser, the association disclosure packet  
188 required by § 55-512. A limited service representative may act as the agent or representative of the  
189 client only by so providing in writing in the brokerage agreement. If the brokerage agreement does not  
190 so state, the limited service representative shall be deemed as acting as an independent contractor of the  
191 client.

192 "Ministerial acts" means those routine acts which a licensee can perform for a person which do not  
193 involve discretion or the exercise of the licensee's own judgment.

194 "Standard agent" means a licensee who acts for or represents a client in an agency relationship. A  
195 standard agent shall have the obligations as provided in this article and any additional obligations  
196 agreed to by the parties in the brokerage agreement.

197 § 54.1-2131. Licensees engaged by sellers.

198 A. A licensee engaged by a seller shall:

199 1. Perform in accordance with the terms of the brokerage relationship;

200 2. Promote the interests of the seller by:

201 a. ~~Seeking~~Conducting marketing activities on behalf of the seller in accordance with the brokerage  
202 agreement. In so doing, the licensee shall seek a sale at the price and terms agreed upon in the  
203 brokerage relationship or at a price and terms acceptable to the seller; however, the licensee shall not be  
204 obligated to seek additional offers to purchase the property while the property is subject to a contract of  
205 sale, unless agreed to as part of the brokerage relationship or as the contract of sale so provides;

206 b. ~~Presenting in a timely manner all written offers or counteroffers to and from the seller,~~ Assisting  
207 in the drafting and negotiating of offers and counteroffers, amendments, and addenda to the real estate  
208 contract pursuant to § 54.1-2101.1 and in establishing strategies for accomplishing the seller's  
209 objectives;

210 c. ~~Receiving and presenting in a timely manner written offers and counteroffers to and from the~~  
211 ~~seller and purchasers,~~ even when the property is already subject to a contract of sale; and

212 e. ~~Disclosing to the seller material facts related to the property or concerning the transaction of~~  
213 ~~which the licensee has actual knowledge; and~~

214 d. ~~Accounting for in a timely manner all money and property received in which the seller has or may~~  
215 ~~have an interest;~~

216 d. ~~Providing reasonable assistance to the seller to satisfy the seller's contract obligations and to~~  
217 ~~facilitate settlement of the purchase contract.~~

218 3. Maintain confidentiality of all personal and financial information received from the client during  
219 the brokerage relationship and any other information that the client requests during the brokerage  
220 relationship be maintained confidential, unless otherwise provided by law or the seller consents in  
221 writing to the release of such information;

222 4. Exercise ordinary care; and

223 5. ~~Account in a timely manner for all money and property received by the licensee in which the~~  
224 ~~seller has or may have an interest;~~

225 6. ~~Disclose to the seller material facts related to the property or concerning the transaction of which~~  
226 ~~the licensee has actual knowledge; and~~

227 7. Comply with all requirements of this article, all applicable fair housing statutes and regulations,  
228 and all other applicable statutes and regulations which are not in conflict with this article.

229 B. Licensees shall treat all prospective buyers honestly and shall not knowingly give them false  
230 information. A licensee engaged by a seller shall disclose to prospective buyers all material adverse facts  
231 pertaining to the physical condition of the property which are actually known by the licensee. As used in  
232 this section, the term "physical condition of the property" shall refer to the physical condition of the  
233 land and any improvements thereon, and shall not refer to: (i) matters outside the boundaries of the  
234 land or relating to adjacent or other properties in proximity thereto, (ii) matters relating to  
235 governmental land use regulations, and (iii) matters relating to highways or public streets. Such  
236 disclosure shall be conspicuous and printed either in bold lettering or all capitals, and shall be  
237 underlined or in a separate box. A licensee shall not be liable to a buyer for providing false information  
238 to the buyer if the false information was provided to the licensee by the seller or was obtained from a  
239 governmental entity or from a person licensed, certified, or registered to provide professional services in  
240 the Commonwealth, upon which the licensee relies, and the licensee did not (i) have actual knowledge  
241 that the information was false or (ii) act in reckless disregard of the truth. No cause of action shall arise  
242 against any licensee for revealing information as required by this article or applicable law. Nothing in  
243 this article shall limit in any way the provisions of the Virginia Residential Property Disclosure Act  
244 (§ 55-517 et seq.).

C. A licensee engaged by a seller in a real estate transaction may, unless prohibited by law or the brokerage relationship, provide assistance to a buyer or potential buyer by performing ministerial acts. Performing such ministerial acts that are not inconsistent with subsection A shall not be construed to violate the licensee's brokerage relationship with the seller unless expressly prohibited by the terms of the brokerage relationship, nor shall performing such ministerial acts be construed to form a brokerage or agency relationship with such buyer or potential buyer.

D. A licensee engaged by a seller does not breach any duty or obligation owed to the seller by showing alternative properties to prospective buyers, whether as clients or customers, or by representing other sellers who have other properties for sale.

E. Licensees shall disclose brokerage relationships pursuant to the provisions of this article.

§ 54.1-2132. Licensees engaged by buyers.

A. A licensee engaged by a buyer shall:

1. Perform in accordance with the terms of the brokerage relationship;
2. Promote the interests of the buyer by:

a. Seeking a property of a type acceptable to the buyer and at a price and ~~with~~ terms acceptable to the buyer; however, the licensee shall not be obligated to seek other properties for the buyer while the buyer is a party to a contract to purchase property unless agreed to as part of the brokerage relationship;

b. ~~Presenting~~ *Assisting in the drafting and negotiating of offers and counteroffers, amendments, and addenda to the real estate contract pursuant to § 54.1-2101.1 and in establishing strategies for accomplishing the buyer's objectives;*

c. *Receiving and presenting* in a timely manner all written offers or counteroffers to and from the buyer and seller, even when the buyer is already a party to a contract to purchase property; and

e. ~~Disclosing to the buyer material facts related to the property or concerning the transaction of which the licensee has actual knowledge; and~~

d. ~~Accounting for in a timely manner all money and property received in which the buyer has or may have an interest;~~

d. *Providing reasonable assistance to the buyer to satisfy the buyer's contract obligations and to facilitate settlement of the purchase contract.*

3. Maintain confidentiality of all personal and financial information received from the client during the brokerage relationship and any other information that the client requests during the brokerage relationship be maintained confidential unless otherwise provided by law or the buyer consents in writing to the release of such information;

4. Exercise ordinary care; and

5. *Account in a timely manner for all money and property received by the licensee in which the buyer has or may have an interest;*

6. *Disclose to the buyer material facts related to the property or concerning the transaction of which the licensee has actual knowledge; and*

7. Comply with all requirements of this article, all applicable fair housing statutes and regulations, and all other applicable statutes and regulations which are not in conflict with this article.

B. Licensees shall treat all prospective sellers honestly and shall not knowingly give them false information. No cause of action shall arise against any licensee for revealing information as required by this article or applicable law. In the case of a residential transaction, a licensee engaged by a buyer shall disclose to a seller *whether or not the buyer's intent buyer intends* to occupy the property as a principal residence. *The buyer's expressions of such intent in the contract of sale shall satisfy this requirement and no cause of action shall arise against any licensee for the disclosure or any inaccuracy in such disclosure, or the nondisclosure of the buyer in this regard.*

C. A licensee engaged by a buyer in a real estate transaction may, unless prohibited by law or the brokerage relationship, provide assistance to the seller, or prospective seller, by performing ministerial acts. Performing such ministerial acts that are not inconsistent with subsection A shall not be construed to violate the licensee's brokerage relationship with the buyer unless expressly prohibited by the terms of the brokerage relationship, nor shall performing such ministerial acts be construed to form a brokerage relationship with such seller.

D. A licensee engaged by a buyer does not breach any duty or obligation to the buyer by showing properties in which the buyer is interested to other prospective buyers, whether as clients or customers, by representing other buyers looking at the same or other properties, or by representing sellers relative to other properties.

E. Licensees shall disclose brokerage relationships pursuant to the provisions of this article.

§ 54.1-2133. Licensees engaged by landlords to lease property.

A. A licensee engaged by a landlord shall:

1. Perform in accordance with the terms of the brokerage relationship;
2. Promote the interests of the landlord by:

306 a. ~~Seeking~~ *Conducting marketing activities on behalf of the landlord pursuant to the brokerage*  
307 *agreement with the landlord. In so doing, the licensee shall seek a tenant at the price rent and terms*  
308 *agreed in the brokerage relationship or at a price rent and terms acceptable to the landlord; however, the*  
309 *licensee shall not be obligated to seek additional offers to lease the property while the property is*  
310 *subject to a lease or a letter of intent to lease under which the tenant has not yet taken possession,*  
311 *unless agreed as part of the brokerage relationship, or unless the lease or the letter of intent to lease so*  
312 *provides;*

313 b. ~~Presenting~~ *Assisting the landlord in drafting and negotiating leases and letters of intent to lease,*  
314 *and presenting in a timely manner all written leasing offers or counteroffers to and from the landlord*  
315 *and tenant pursuant to § 54.1-2101.1, even when the property is already subject to a lease or a letter of*  
316 *intent to lease; and*

317 c. *Disclosing to the landlord material facts related to the property or concerning the transaction of*  
318 *which the licensee has actual knowledge; and*

319 d. *Accounting for in a timely manner all money and property received in which the landlord has or*  
320 *may have an interest; Providing reasonable assistance to the landlord to finalize the lease agreement.*

321 3. Maintain confidentiality of all personal and financial information received from the client during  
322 the brokerage relationship and any other information that the client requests during the brokerage  
323 relationship be maintained confidential, unless otherwise provided by law or the landlord consents in  
324 writing to the release of such information;

325 4. Exercise ordinary care; and

326 5. Account in a timely manner for all money and property received by the licensee in which the  
327 landlord has or may have an interest;

328 6. Disclose to the landlord material facts related to the property or concerning the transaction of  
329 which the licensee has actual knowledge; and

330 7. Comply with all requirements of this article, fair housing statutes and regulations, and all other  
331 applicable statutes and regulations which are not in conflict with this article.

332 B. Licensees shall treat all prospective tenants honestly and shall not knowingly give them false  
333 information. A licensee engaged by a landlord shall disclose to prospective tenants all material adverse  
334 facts pertaining to the physical condition of the property which are actually known by the licensee. *As*  
335 *used in this section, the term "physical condition of the property" shall refer to the physical condition of*  
336 *the land and any improvements thereon, and shall not refer to: (i) matters outside the boundaries of the*  
337 *land or relating to adjacent or other properties in proximity thereto, (ii) matters relating to*  
338 *governmental land use regulations, and (iii) matters relating to highways or public streets. Such*  
339 *disclosure shall be conspicuous and printed either in bold lettering or all capitals, and shall be*  
340 *underlined or in a separate box. A licensee shall not be liable to a tenant for providing false*  
341 *information to the tenant if the false information was provided to the licensee by the landlord or was*  
342 *obtained from a governmental entity or from a person licensed, certified, or registered to provide*  
343 *professional services in the Commonwealth, upon which the licensee relies, and the licensee did not (i)*  
344 *have actual knowledge that the information was false or (ii) act in reckless disregard of the truth. No*  
345 *cause of action shall arise against any licensee for revealing information as required by this article or*  
346 *applicable law. Nothing in this subsection shall limit the right of a prospective tenant to inspect the*  
347 *physical condition of the property.*

348 C. A licensee engaged by a landlord in a real estate transaction may, unless prohibited by law or the  
349 brokerage relationship, provide assistance to a tenant, or potential tenant, by performing ministerial acts.  
350 Performing such ministerial acts that are not inconsistent with subsection A shall not be construed to  
351 violate the licensee's brokerage relationship with the landlord unless expressly prohibited by the terms of  
352 the brokerage relationship, nor shall performing such ministerial acts be construed to form a brokerage  
353 relationship with such tenant or potential tenant.

354 D. A licensee engaged by a landlord does not breach any duty or obligation owed to the landlord by  
355 showing alternative properties to prospective tenants, whether as clients or customers, or by representing  
356 other landlords who have other properties for lease.

357 E. Licensees shall disclose brokerage relationships pursuant to the provisions of this article.

358 § 54.1-2134. Licensees engaged by tenants.

359 A. A licensee engaged by a tenant shall:

360 1. Perform in accordance with the terms of the brokerage relationship;

361 2. Promote the interests of the tenant by:

362 a. Seeking a lease at a ~~price~~ *rent* and with terms acceptable to the tenant; however, the licensee shall  
363 not be obligated to seek other properties for the tenant while the tenant is a party to a lease or a letter  
364 of intent to lease exists under which the tenant has not yet taken possession, unless agreed to as part of  
365 the brokerage relationship, or unless the lease or the letter of intent to lease so provides;

366 b. ~~Presenting~~ *Assisting in the drafting and negotiating of leases, letters of intent to lease, and rental*  
367 *applications, and presenting, in a timely fashion, all written offers or counteroffers to and from the*

tenant and landlord pursuant to § 54.1-2101.1, even when the tenant is already a party to a lease or a letter of intent to lease;

c. Disclosing to the tenant material facts related to the property or concerning the transaction of which the licensee has actual knowledge; and

d. Accounting for in a timely manner all money and property received in which the tenant has or may have an interest; Providing reasonable assistance to the tenant to finalize the lease agreement.

3. Maintain confidentiality of all personal and financial information received from the client during the brokerage relationship and any other information that the client requests during the brokerage relationship be maintained confidential unless otherwise provided by law or the tenant consents in writing to the release of such information;

4. Exercise ordinary care; and

5. Account in a timely manner for all money and property received by the licensee in which the tenant has or may have an interest;

6. Disclose to the tenant material facts related to the property or concerning the transaction of which the licensee has actual knowledge; and

7. Comply with all requirements of this article, fair housing statutes and regulations, and all other applicable statutes and regulations which are not in conflict with this article.

B. Licensees shall treat all prospective landlords honestly and shall not knowingly give them false information. No cause of action shall arise against any licensee for revealing information as required by this article or applicable law.

C. A licensee engaged by a tenant in a real estate transaction may provide assistance to the landlord or prospective landlord by performing ministerial acts. Performing such ministerial acts that are not inconsistent with subsection A shall not be construed to violate the licensee's brokerage relationship with the tenant unless expressly prohibited by the terms of the brokerage relationship, nor shall performing such ministerial acts be construed to form a brokerage relationship with the landlord or prospective landlord.

D. A licensee engaged by a tenant does not breach any duty or obligation to the tenant by showing properties in which the tenant is interested to other prospective tenants, whether as clients or customers, by representing other tenants looking for the same or other properties to lease, or by representing landlords relative to other properties.

E. Licensees shall disclose brokerage relationships pursuant to the provisions of this article.

§ 54.1-2138. Disclosure of brokerage relationship.

A. Upon having a substantive discussion about a specific property or properties with an actual or prospective buyer or seller who is not the client of the licensee and who is not represented by another licensee, a licensee shall disclose any broker relationship the licensee has with another party to the transaction. Further, except as provided in § 54.1-2139, such disclosure shall be made in writing at the earliest practical time, but in no event later than the time when specific real estate assistance is first provided. Such disclosure may be given in combination with other disclosures or provided with other information, but if so, the disclosure must be conspicuous, printed in bold lettering, all capitals, underlined, or within a separate box. Any disclosure which complies substantially in effect with the following shall be deemed in compliance with this disclosure requirement:

#### DISCLOSURE OF BROKERAGE RELATIONSHIP

The undersigned do hereby acknowledge disclosure that:

The licensee .....

Name of Firm

represents the following party in a real estate transaction:

..... Seller(s) or ..... Buyer(s)

..... Landlord(s) or ..... Tenant(s)

.....

Date Name

.....

Date Name

B. A licensee shall disclose to an actual or prospective landlord or tenant, who is not the client of the licensee and who is not represented by another licensee, that the licensee has a brokerage relationship with another party or parties to the transaction. Such disclosure shall be in writing and included in all applications for lease or in the lease itself, whichever occurs first. If the terms of the lease do not provide for such disclosure, disclosure shall be made in writing no later than the signing of the lease. Such disclosure requirement shall not apply to lessors or lessees in single or multifamily residential units for lease terms of less than two months.

C. If a licensee's relationship to a client or customer changes, the licensee shall disclose that fact in

428 writing to all clients and customers already involved in the specific contemplated transaction.

429 D. Copies of any disclosures relative to fully executed purchase contracts shall be kept by the  
430 licensee for a period of three years as proof of having made such disclosure, whether or not such  
431 disclosure is acknowledged in writing by the party to whom such disclosure was shown or given.

432 E. A limited service representative shall also make the disclosure required by § 54.1-2138.1.

433 § 54.1-2138.1. Limited service representative, contract disclosure required.

434 A. A licensee may act as a limited service representative only pursuant to a written brokerage  
435 agreement in which the limited service representative (i) discloses that the licensee is acting as a limited  
436 service representative; (ii) provides a list of the specific services that the licensee will provide to the  
437 client; and (iii) provides a list of the specific duties of a standard agent set out in subdivision A 2 of  
438 § 54.1-2131, subdivision A 2 of § 54.1-2132, subdivision A 2 of § 54.1-2133, or subsection A 2 of  
439 § 54.1-2134, as applicable, that the limited service representative will not provide to the client. Such  
440 disclosure shall be conspicuous and printed either in bold lettering or all capitals, and shall be  
441 underlined or in a separate box. In addition, a disclosure that contains language that complies  
442 substantially in effect with the following shall be deemed in compliance with this disclosure requirement:

443 "By entering into this brokerage agreement, the undersigned do hereby acknowledge their  
444 informed consent to the limited service representation by the licensee and do further acknowledge that  
445 neither the other party to the transaction nor any real estate licensee representing the other party is  
446 under any legal obligation to assist the undersigned with the performance of any duties and  
447 responsibilities of the undersigned not performed by the limited service representative."

448 B. A licensee engaged by one client to a transaction and dealing with an unrepresented party or  
449 with a party represented by a limited service representative and who, without additional compensation,  
450 provides such other party information relative to the transaction or undertakes to assist such other party  
451 in securing a contract or with such party's obligations thereunder, shall not incur liability for such  
452 actions except in the case of gross negligence or willful misconduct. A licensee does not create a  
453 brokerage relationship by providing such assistance or information to the other party to the transaction.  
454 A licensee dealing with a client of a limited service representative may enter into an agreement with  
455 that party for payment of a fee for services performed or information provided by that licensee. Such  
456 payment shall not create a brokerage relationship; however, the licensee providing such services or  
457 information for a fee shall be held to the ordinary standard of care in the provision of such services or  
458 information.

459 § 54.1-2141. Brokerage relationship not created by using common source information company.

460 No licensee representing a buyer or tenant shall be deemed to have a brokerage relationship with a  
461 seller, landlord or other licensee solely by reason of using a common source information company.  
462 However, nothing contained in this article shall be construed to prevent a common source information  
463 company from requiring, as a condition of participation in or use of such common source information,  
464 that licensees providing information through such company disclose the nature of the brokerage  
465 relationship with the client, including, but not limited to, whether the licensee is acting as (i) an  
466 independent contractor, (ii) a limited service representative, or (iii) a transaction broker, facilitator or  
467 in some other capacity as provided in the brokerage agreement. A common source information company  
468 may, but shall not be obligated to, require disclosure of a standard agency relationship, and may adopt  
469 rules providing that absent any disclosure, a licensee providing information through such company may  
470 be assumed to be acting as a standard agent. A common source information company shall have the  
471 right, but not the obligation, to make information about the nature of brokerage relationships available  
472 to its participants and to settlement service it provides including, without limitation, title insurance  
473 companies, lenders, and settlement agents.

474 § 54.1-2145. Article does not limit antitrust laws.

475 Nothing in this article shall be construed to limit, modify, impair, or supercede the applicability of  
476 any federal or state antitrust laws.

477 **2. That the provisions of this act shall become effective on July 1, 2007.**