**Errata**

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**First Revision**

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| **Page/Location** | **Reads Now** | **Should Be** |
| Throughout text | leasing agent | residential leasing agent |
| p. 66, Designated Managing Brokers | The sponsoring broker designates the designated managing broker with supervisory duties and legally appoints that individual to oversee the office. | The sponsoring broker assigns the designated managing broker with supervisory duties and legally appoints that individual to oversee the office. |
| p. 66, Designated Managing Brokers | A sponsoring broker may also be the designated managing broker of an office or may appoint a designated managing broker to serve as the designated managing broker of several branch offices, or different designated managing brokers may be responsible for individual branch offices. | A sponsoring broker may also be the designated managing broker of an office or may appoint a designated managing broker to serve for several branch offices. Different designated managing brokers may be responsible for individual branch offices. |
| p. 66, 2nd paragraph under Designated Managing Brokers |  | DELETED |
| p. 68, Designated Managing Broker Responsibilities | Sometimes, in the case of a sole proprietorship, the managing broker and the sponsoring broker are one and the same. | Sometimes, in the case of a sole proprietorship, the designated managing broker and the sponsoring broker are one and the same. |
| p. 68, Working With New Licensees | The designated managing broker has the responsibility for handling all earnest money, escrows, and contract negotiations for all transactions where the designated agent for the transaction has not completed the 45 hours of postlicense education, as well as the approval of all advertisements involving a licensee who has not completed the 45 hours of postlicense education. Licensees that have not completed their 45 hours of postlicense education have no authority to bind the sponsoring broker | The designated managing broker has the responsibility for handling all earnest money, escrows, and contract negotiations for all transactions where the designated agent for the transaction has not completed the 45 hours of postlicense education. This includes the approval of all advertisements involving a licensee who has not completed the 45 hours of postlicense education. Licensees who have not completed their 45 hours of postlicense education cannot bind the sponsoring broker to contracts. |
| p. 68, Maintenance of Licenses | …all designated managing brokers employed by the sponsoring broker and the office or branch offices for which each managing broker is responsible. The managing broker must have a current active managing broker’s license. | …all designated managing brokers employed by the sponsoring broker and the office or branch offices for which each designated managing broker is responsible. The designated managing broker must have a current active managing broker’s license. |
| p. 68, Unexpected Loss of Designated Managing Broker | In most cases of loss of a sponsoring or managing broker, a licensed managing broker temporarily assumes the management of the office. | In most cases of loss of a sponsoring or designated managing broker, a licensed managing broker temporarily assumes the management of the office. |
| p. 69, Advertising | All designated managing broker licensees who are names as designated managing brokers with the IDFPR…Those who hold a managing broker license but are not names as the managing broker licensees. Instead they may identify themselves in advertising as broker associates. | All licensees who are names as designated managing brokers with the IDFPR…Those who hold a managing broker license but are not names as the designated managing broker. They may identify themselves as managing brokers. |
| p. 69, New Licenses and Renewals | Though the initial license and renewal used to be mailed to the sponsoring/managing broker, IDFPR now generates the license online where the licensee can print their own license and deliver it to the office where it will be held. | Though the initial license and renewal used to be mailed to the sponsoring/managing broker, IDFPR now generates the license online. Licensees can print their own license and deliver it to the office where it will be held. |
| p. 69, Supervision | …and anyone else working in those offices managed by the managing broker. | …and anyone else working in those offices managed by the designated managing broker. |
| p. 93, 2nd paragraph |  | DELETED |
| p. 93, 3rd paragraph |  | MOVED TO TOP OF PAGE |
| p. 93, 4th paragraph, sentences 1-4 |  | DELETED |
| p. 93, 7th paragraph |  | DELETED |
| p. 93, 8th and 9th paragraphs | REPLACED WITH NEW TEXT | Ongoing CommunicationIt is good at these initial appointments with either sellers or buyers to set up an agreed mode of communication. Licensees, especially new ones, should keep in mind that success in the real estate business depends on good customer relations and interpersonal skills, including communication. It is imperative to communicate with clients throughout the entire real estate transaction, as well as afterward.Not everyone likes to communicate in the same fashion. Whether it be by text, email, or phone, recordkeeping is an important part of making sure your client’s wishes are met and that your liability is protected. Here are some tips to keep in mind regarding communication: After oral conversations, make notes with dates and timesSave texts and emailsFollow laws and regulations regarding electronic communicationRemember that though social media may be a convenient way of conversing with customers and clients, it can lack privacy and confidentiality. Another drawback is that social media can be challenging to log for recordkeeping. A real estate professional can establish a presence on social media, but should always be mindful that information available to the public imposes a level of restraint on comments and photos posted to avoid embarrassment or even potential liability.Ongoing communication, no matter the format, can help build and maintain a relationship with clients who may then provide repeat business or referrals. |
| p. 94, Added margin note |  | Licensees should keep in mind the importance of historical and expired sales, and use them as supporting data when the present their CMA to a client or potential client. |
| p. 94, Last paragraph, after “techniques” | REPLACED WITH NEW TEXT | Data generally falls into two basic categories: 1. General (secondary) data—information about the social, economic, governmental and environmental influences on value. This information is typically not collected by the appraiser; and 2. Specific (primary) data—details about the subject, comparables, and local market conditions. This information is collected by the appraiser.Data can also be viewed as qualitative versus quantitative. Qualitative data describes things like amenities, style, or location that cannot be expressed with a numerical value. Quantitative data includes information that can be expressed as a numerical value, such as square feet, room count, marketing time, or lot size.When presenting information and statistics to clients or consumers, keep it simple and be prepared to back up a CMA or price opinion with supporting details. |
| p. 103, Description of the Premises | However, it is advisable to include the parcel number or Property Index Number (PIN), and most listing agreements include a blank for it. This number can be acquired from the tax database. | However, it is advisable to include the parcel number or Property Index Number (PIN), and most listing agreements include a blank for it. This number can be acquired from the county tax database. |
| p. 152, before Summary | ADDED TEXT | In IllinoisTimeshare sales in Illinois were previously regulated by the Illinois Real Estate Timeshare Act. This act was repealed in 2018. |
| p. 194, 2nd paragraph |  | Added “Multiple Offers” header and replaced last sentence with the following: The Illinois Real Estate Licensing Act requires licensees to act in the best interest of the client. This means timely presenting all offers to the client unless the client waived that duty. A licensee should have a conversation with a buyer or seller about how they would want to handle a multiple offer situation should one arise. Then, the licensee will act on the instructions of the client in a multiple offer situation because ultimately, decisions about how offers are presented, negotiated, and accepted are made by the buyer or seller, not the licensee. |
| p. 194, In Practice, last 3 sentences |  | DELETED |
| p. 202, first paragraph | Figure 11.3 is a sample Illinois residential sales contract. | See Figure 11.3. |
| p. 202, last paragraph | ADDED NEW TEXT | If one or more parties doesn't sign, the release can be negotiated by the parties' attorneys or either party can file a civil lawsuit for the disbursement of the earnest money. If no agreement is reached, the funds are released to the state treasurer. |
| p. 251, Key Terms |  | Added “designated managing broker” |
| p. 252, 2nd sentence | The Division of Real Estate was created in 2014 and is led by the Coordinator, who reports directly to the IDFPR acting secretary. | The Secretary of the Illinois Department of Financial and Professional Regulation is appointed by the Governor and oversees the Division of Real Estate. The Division of Real Estate by law is overseen by a Director of the Real Estate Division and a Real Estate Coordinator. |
| p. 258, Broker Requirements | ADDED MARGIN NOTE | An applicant must meet all required criteria to receive a license before they can get an active license. To have an active license, the applicant must then have a valid sponsorship. |
| p. 258, Managing Broker’s License | A **managing broker** supervises licensees in one or more offices and is appointed as such by the sponsoring broker. | A **managing broker** is a licensee who may be authorized to assume responsibilities as a designated managing broker for licensees in one or, in the case of a multi-office company, more than one office, upon appointment by the sponsoring broker and registration with the Department. A managing broker may act as his or her own sponsor. |
| p. 264, before License Fees | ADDED TEXT | The licensee must request a waiver from the Department. |
| p. 264, 2nd paragraph under Continuing Education | ADDED TEXT | The 12 hours include 4 hours of mandatory core and 8 hours of elective education (the elective education must include 1 hour of sexual harassment prevention training.) |
| p. 265, first bullet | ADDED TO BULLET | (the wavier is not automatic and must be requested by the licensee prior to renewal) |
| p. 265, Course Content | Regarding the elective curriculum of eight hours, the Board considers subjects that cover the various aspects of the practice of real estate that are covered under the scope of the act. | Regarding the elective curriculum of eight hours, the Board considers subjects that cover the various aspects of the practice of real estate that are covered under the scope of the act. One of the eight hours of elective education must include a sexual harassment prevention training course. |
| p. 266, paragraph before Your Real Estate Business and the Act | Changed “Board” to “Department and ADDED TEXT | If a renewal applicant has earned CE hours in another state, the Department may approve the credit at its discretion based upon whether the course is one that would be approved under the Act. The licensee must reach out to the Department before taking the out-of-state course to ensure the course will be accepted. |
| p. 271, “Teams” | A team … who are identified by a team name that is different than their sponsoring broker’s name, and who together are supervised by the same managing broker and sponsored by the same sponsoring broker. | A team … who are identified by a team name that is different than their sponsoring broker’s name, and who together are supervised by the same designated managing broker and sponsored by the same sponsoring broker. |
| p. 276 | Offering an improperly constructed guaranteed sales plan, one that does not meet the Act’s requirements for such plans | Offering an improperly constructed guaranteed sales plan, one that does not meet the Act’s requirements for such plans (225 ILCS 454/10-50) |
| p. 284, Item 4 | To meet the continuing education requirement in Illinois, brokers must obtain how many hours of continuing education during the current term of the license? | After the first renewal period, to meet the continuing education requirement in Illinois, brokers must obtain how many hours of continuing education during the current term of the license? |
| p. 339, Referral Fees, 2nd bullet | receives compensation of no more than $1,500 or the equivalent of one month’s rent, whichever is less, in any 12-month period  | receives compensation of no more than $5,000 or the equivalent of one month’s rent, whichever is less, in any 12-month period  |
| p. 351, Margin note, last 2 sentences |  | DELETED |
| p. 361, Comparative Market Analysis, first 3 sentences |  | DELETED |
| p. 361, Comparative Market Analysis | ADDED after bulleted list | Remember the importance of historical and expired sales. They provide a snapshot of what price consumers were willing to pay and what they were not for comparable properties. This data can be used to support a CMA. |
| p. 361 | ADDED margin note | Remember that when you communicate a value to a customer or client to back it up with data and statistics that is easy for the client or customer to understand and that supports your conclusion. |
| p. 495, item 31 | Because interest is paid monthly in arrears, what was the amount of the interest adjustment the buyer owes at the settlement, using the statutory method? | Because interest is paid monthly in arrears, what was the amount of the interest adjustment the buyer owes at the settlement, using the statutory month variation method? |
| p. 514, Answer Key, Unit 1 | 16. C (6) | 16. D (7) |
| p. 515, Answer Key, Unit 5 | 15. D | 15. B |
| Glossary Additions (starting on pg. 527)  |  | **Designated managing broker**Managing broker appointed by the sponsoring broker to have supervisory responsibilities and who is registered with the Department |
|  |  | **Act**The Real Estate License Act of 2000 |
|  |  | **Address of record**The designated address recorded by the Department in the applicant's or licensee's application file or license file as maintained by the Department |
|  |  | **Applicant**any person, as defined by the Act, who applies to the Department for a valid license as a managing broker, broker, or residential leasing agent |
|  |  | **Board**The Real Estate Administration and Disciplinary Board of the Department as created by Section 25-10 of the Act. |
|  |  | **Coordinator**The Coordinator of Real Estate created in Section 25-15 of the Act |
|  |  | **Credit hour**50 minutes of instruction in course work that meets the requirements set forth in rules adopted by the Department |
|  |  | **Education provider**A school licensed by the Department offering courses in pre-license, post-license, or continuing education required by the Act |
|  |  | **Escrow moneys**All moneys, promissory notes or any other type or manner of legal tender or financial consideration deposited with any person for the benefit of the parties to the transaction |
|  |  | **Electronic means of proctoring**A methodology providing assurance that the person taking a test and completing the answers to questions is the person seeking licensure or credit for continuing education and is doing so without the aid of a third party or other device |
|  |  | **Exclusive brokerage agreement**A written brokerage agreement that provides that the sponsoring broker has the sole right, through one or more sponsored licensees, to act as the exclusive agent or representative of the client and that meets the requirements of Section 15-75 of the Act |
|  |  | **Inactive**A status of licensure where the licensee holds a current license under this Act, but the licensee is prohibited from engaging in licensed activities because the licensee is unsponsored or the license of the sponsoring broker with whom the licensee is associated or by whom he or she is employed is currently expired, revoked, suspended, or otherwise rendered invalid under the Act. |
|  |  | **Leads**The name or names of a potential buyer, seller, lessor, lessee, or client of a licensee |
|  |  | **Licensed activities**Those activities listed in the definition of "broker" under this Section of the Act |
|  |  | **Licensee**Any person, as defined in this Section of the Act, who holds a valid unexpired license as a managing broker, broker, or residential leasing agent |
|  |  | **Listing presentation**Any communication, written or oral and by any means or media, between a managing broker or broker and a consumer in which the licensee is attempting to secure a brokerage agreement with the consumer to market the consumer's real estate for sale or lease |
|  |  | **Medium of advertising**Any method of communication intended to influence the general public to use or purchase a particular good or service or real estate, including, but not limited to, print, electronic, social media, and digital forums |
|  |  | **Office**A broker's place of business where the general public is invited to transact business and where records may be maintained and licenses displayed, whether or not it is the broker's principal place of business. |
|  |  | **Person**Individuals, entities, corporations, limited liability companies, registered limited liability partnerships, foreign and domestic partnerships, and other business entities, except that when the context otherwise requires, the term may refer to a single individual or other described entity |
|  |  | **Proctor**Any person, including, but not limited to, an instructor, who has a written agreement to administer examinations fairly and impartially with a licensed education provider |
|  |  | **Regular employee**A person working an average of 20 hours per week for a person or entity who would be considered as an employee under the Internal Revenue Service rules for classifying workers |
|  |  | **Renewal period**The period beginning 90 days prior to the expiration date of a license |
|  | **Leasing agents**In Illinois, individuals holding a limited license who wish to engage only in activities related to leasing residential property. | **Residential leasing agent**A person who is employed by a broker to engage in licensed activities limited to leasing residential real estate who has obtained a license as provided for in Section 5-5 of the Act |
|  |  | **Secretary** The Secretary of the Department of Financial and Professional Regulation, or a person authorized by the Secretary to act in the Secretary's stead |
|  |  | **Sponsorship**That a sponsoring broker has certified to the Department that a managing broker, broker, or residential leasing agent named thereon is employed by or associated by written agreement with the sponsoring broker and the Department has registered the sponsorship, as provided for in Section 5-40 of the Act |
|  |  | **Team**Any 2 or more licensees who work together to provide real estate brokerage services, represent themselves to the public as being part of a team or group, are identified by a team name that is different than their sponsoring broker's name, and together are supervised by the same managing broker and sponsored by the same sponsoring broker |
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**Second Revision**

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| **Page/Location** | **Reads Now** | **Should Be** |
| p. 98-101, Figure 6.1 | Exclusive Buyer Representation Contract | Exclusive Right to Sell Contract |
| p. 164, 3rd paragraph, last sentence | The property in question contains 40 acres. | The property in question contains 20 acres. |
| p. 185, last paragraph | Special service areas… | DELETED |
| p. 250, Item 18 | Which of these statements correctly describes the requirements for recording a tax deed?A. A tax deed must be recorded within 30 days after expiration of the redemption period.1. B. A tax deed may be recorded at any time before or after the redemption period.
2. C. A tax deed must be recorded within one year after expiration of the redemption period or it will become null and void.
3. D. Tax deeds are specifically exempted from recording deadlines and are effective regardless of whether or not they have been recorded
 | The act of recording gives legal priority to those interests recordedA. at the federal level.B. last.C. first.D. by a licensee. |
| p. 339, Referral Fees, 2nd bullet | receives compensation of no more than $1,500 or the equivalent of one month’s rent, whichever is less, in any 12-month period  | receives compensation of no more than $5,000 or the equivalent of two month’s rent, whichever is less, in any 12-month period  |
| p. 516, Unit 9 | 2. B | 2. A |
| p. 517, Unit 14 | 1. B (254-255) | 1. B (254-255, 260) |
| p. 517, Unit 14 | 4. B | 4. C |
| p.521, item 103 | B (99) | C (103) |
| p. 523, item 96 | C (257) | D (256) |

**Third Revision**

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| **Page/Location** | **Reads Now** | **Should Be** |
| p. 67, IRS Tax Considerations | An executed copy of the employment agreement must be provided to the sponsored licensees. | An executed copy ofthe employment agreement must be provided in physical or electronic format to the sponsored licensees.Employment or independent contractor agreements must be maintained for five years after the broker licensee isno longer with the sponsoring broker (1450.755(a)(4)). |
| p. 69, Change of Business Address | Change-of-address filing is required for all offices and branch offices. | Change-of-address filing is required for all offices. Licensees must provide the Division notice of change of physical office location or virtual office website or digital platform (1450.150). |
| p. 69, Termination of Sponsorship | If a broker, designated managing broker, or residential leasing agent terminates employment with the sponsoring broker for any reason, the licensee must do so through the IDFPR Online Services Portal. Once the licensee does so, the licensee’s license is inactive until a new valid sponsorship is registered. | If a broker, designated managing broker, or residential leasing agent terminates employment with the sponsoring broker for any reason, the licensee must notify the Division within 24 hours, and immediately notify the sponsoring broker. The licensee’s license is inactive until a new valid sponsorship is registered. Upon termination of a sponsorship by a sponsoring broker, the sponsoring broker must immediately notify the terminated licensee, and notify the Division within 24 hours (1450.115). |
| p. 78, Broker Compensation |  | ADDED: An entity will not be given a license if a non-participating owner, member, manager, partner, or officer has a suspended or revoked license (1450.600). |
| p. 260, 2nd paragraph after bulleted list | A person may engage in residential leasing activities for a period of 120 consecutive days without being licensed, so long as the person is acting under the supervision of a sponsoring broker, that managing broker has notified IDFPR that the person is pursuing licensure, and the person has enrolled in the residential leasing agent prelicense education course no later than 60 days after beginning to engage in residential leasing activities. | A person may engage in residential leasing activities for 120 days without being licensed if they first obtain a residential leasing agent permit. A sponsoring broker associating with a residential leasing agent must submit to the department all required information and must also certify that the residential leasing agent will not work for more than 120 days without a license. A person can only practice under a permit one time (1450.240). |
| p. 267, Place of Business | **Place of Business (225 ILCS 454/5-45)**Any sponsoring broker actively engaged in the real estate business must maintain a definite office or place of business within Illinois. The sponsoring broker must display a visible, conspicuous identification sign outside the physical office. Inside, the sponsoring broker must hold all licenses readily available for inspection by the public.The sponsoring broker’s office or place of business may not be located in any retail or financial establishment, unless it is clearly separated from the other business and is situated within a distinct area within that establishment. | **Place of Business (225 ILCS 454/5-45 & Administrative Code 1450.730)**Proof of licensure for all sponsored licensees must be readily available to the public in the sponsoring broker's physical office or available through electronic means. For virtual offices, this requires prominently displaying a registry of all sponsored licensees on a website or digital platform. |
| p. 267, Branch Offices |  | ***Offices and Virtual Offices***To operate a virtual office, the sponsoring broker must be able to demonstrate licensees are engaged in licensed activities; offering real estate services; holding out to the public they are engaging in licensed activities; and following requirements for electronic file maintenance and recordkeeping set by rule. Virtual offices must comply with all advertising requirements under Section 1450.715 and 1450.720. |
| p. 267, Branch Offices | The designated managing broker, who must be a licensed Illinois managing broker, oversees the branch’s operations. The brokerage license must be displayed in each office.The name of the branch office must be the same as the primary real estate office or closely linked to it.IDFPR must be notified immediately, in a manner prescribed by the Department, of any change of a primary or branch office location and within 15 days of a change of a managing broker for any branch. | The designated managing broker, who must be a licensed Illinois managing broker, oversees the office’s operations. The brokerage license must be displayed in each office.The name of the each office must be the same as the primary real estate office or closely linked to it.IDFPR must be notified immediately, in a manner prescribed by the Department, of any change of an office location and within 15 days of a change of a designated managing broker. |
| p. 271, Handling Client Funds, last paragraph |  | ADDED:The sponsoring broker must report loss or destruction of escrow records to the Department within 48 hours by mail or email. |
| p. 272, first paragraph | The sponsoring broker’s business name must be at least equal in size or larger than the team name or that of the individual. | However, if these terms are followed by the word “team” they could be used (1450.715). |
| p. 272, Online Advertising |  | ADDED: Note that all electronic advertising has added language that requires posting the city and state of a physical office or a direct link to a virtual office website or digital platform. A URL or domain name is not considered advertising, but it must not be used for improper purposes to mislead consumers (1450.720) |
| p. 273, Selling Your Own Property | If a licensee advertises to personally purchase or lease real estate, disclosure of licensee status is required. | If a licensee advertises to personally purchase or lease real estate, disclosure of licensee status is required before initiating a transaction. |
| p. 300, Figure 15.3 | 7 ½ months | 7 months |
| p. 495, item 31 | A. $190.07 | A. $183.96 |
| p. 525, 3rd column, item 31 | $57,500 x 0.085 = $4,887.50 ÷ 360 = 13.576 x 14 = 190.07 | $57,500 x 0.085 = $4,887.50 ÷ 12 = $407.29$407.29 ÷ 31 = $13.14$13.14 x 14 = $183.96 |

Fourth Revision

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| p. 117, item 3 | A listing agreement expires on May 2. Which event would NOT terminate the listing?A. On April 15, the seller tells the broker that he is dissatisfied with the broker’s marketing efforts.1. B. The agreement is not renewed after May 2.
2. C. The listing agent dies on April 29.
3. D. The seller’s house is destroyed by fire on April 25.
 | A listing agreement expires May 2. The seller's house is destroyed by fire on April 25. Which of the following is TRUE?A. The agreement may be canceled due to the destruction of the property.B. The agreement automatically renews after May 2.C. The agreement remains active until the property sells.D. Listing agreements do not have expiration dates. |