



PA Licensees: New RELRA Laws go into effect August 28

Reminder: New PA RELRA Laws begin Aug. 28

With the recent passage of Real Estate Licensing and Registration Act (RELRA) Act 75 (formerly House Bill 863), brokers and agents should be aware of two primary changes that begin on August 28, 2018: the **legalization of Broker Price Opinion (BPO)** in certain circumstances and an increase to prelicense education requirements.

Additionally, Pennsylvania Continuing Education requirements have been increased to include a second mandatory course within the 14 hours currently required.

More information is provided below.

New BROKER PRICE OPINION (BPO) Law

Effective on August 28, 2018, no BPO may be written until certain criteria are met!

While the new law concerning the preparation of BPOs goes into effect on August 28, full implementation of these changes will require educational, regulatory and policy action by the State Real Estate Commission. Once criteria is established, real estate schools will need to develop new approved content. This process could take some time, perhaps six (6) months, before a course is available. Therefore, in the meantime, no BPOs can be prepared.

Licensees that want to write BPOs should be aware that they can only be prepared after certain prerequisite education requirements are met and that they can only be used for **certain purposes** and **not for others**. There are additional requirements that must be met and both broker and agent must sign the BPO.

Limitations of BPO: For the most part, in general, BPOs are limited to certain specific uses related to lenders and loan servicers, such as in cases of residential short sales. (*They are not intended for commercial purposes.*)

Alternatives: The law mentions the **CMA – Comparable Market Analysis** as an alternative option. There may also be others, such as the **BOV – Broker's Opinion of Value**. Neither of these carry the same requirements as the BPO.

For a detailed FAQ which outlines the RELRA amendments and implications, [please visit PAR's website](#).

Definitions

BPO – Broker's price opinion. An estimate prepared by a broker, associate broker or a salesperson that details the probable selling price of a particular parcel of real property and provides a varying level of detail about the property's condition, market and neighborhood, and information on comparable sales...

CMA – Comparable Market Analysis. A written analysis, opinion or conclusion by a broker, associate broker or salesperson relating to the probable sale or rental price of a specified parcel of real property in an identified real estate market at a specified time, which is prepared for any of the following reasons: 1) an existing or potential seller, buyer, lessor or lessee of the parcel of real property, or 2) a person making decision or performing due diligence related to the potential listing, offering, sale, option, lease or acquisition price of the parcel of real property.

BOV – Broker's Opinion of Value. A BOV is an analysis provided by a licensed real estate broker or agent to assist a buyer or seller in making decisions about the listing price of real estate or a suitable bid for purchase. A fee may or may not be charged. This analysis may not be represented as an *appraisal*. For mortgage lending purposes, the lender requires an appraisal performed by an appraiser licensed by the state.

New Mandatory Continuing Education Requirement

During the current 2018-2020 licensing renewal cycle, Pennsylvania's 14 hours of continuing education will now include two (2) mandatory 3.5-hour required courses.

The first mandatory course, which was enacted during the 2016-2018 renewal cycle, covered Pennsylvania Agency. We will provide this course two times, once on January 9, 2019 and again on January 8, 2020.

The second mandatory course is the new 3.5 hour class that will consist of 1.5 hours Property Management plus 2.0 hours Advertising. Our course provider, Frederick Academy of Real Estate, is currently preparing a course for approval and we will work it in to our two full rotations of classes that will be provided.

Two full rotations of classes will be provided from January to April in 2019 and again from January to April in 2020 on the second Wednesdays of the month.

I would like to thank Cindy Fleming of JLL, CIRC Continuing Education Chair, member Pete Davisson, and Colin McGowan of Frederick Academy of Real Estate, for their assistance in helping CIRC to stay abreast of these changes.

If you are a member of Suburban West REALTORS® Association, Steven Farace, Director, Marketing and Member Relations, may also be a good resource for you on these Pennsylvania real estate matters.

Janet Pippert
CIRC Business Manager

P.S. Hope to see you on September 12 (Wed.) for our next CIRC Membership Lunch Meeting at the Clarion Belle ([registration](#))