

193E—7.3(543B) Suspended and revoked licenses. A suspended or revoked license must be returned to the commission as provided in Iowa Code section 543B.33 and subrule 7.2(6).

7.3(1) As of the effective date of a suspended or revoked license, the licensee shall not engage in any activity that requires a real estate license as defined in Iowa Code chapter 543B.

7.3(2) When a sole-proprietor broker, corporation or partnership license is suspended or revoked, all licensees associated with or assigned to that sole-proprietor broker, corporation or partnership shall automatically be placed on inactive status for the duration of the suspension or revocation, unless transferred to another sole-proprietor broker, corporation or partnership.

a. The broker whose license is suspended or revoked shall return, before or immediately upon the effective date of the suspension or revocation, all licenses that are assigned to or associated with the broker or the firm as provided in Iowa Code section 543B.33 and subrule 7.2(6).

b. When a suspension or revocation is determined, the commission shall also determine if the corporation or partnership license shall be automatically canceled.

c. If the broker whose license is suspended or revoked is the only licensed broker officer of a corporation, the corporation license will automatically be canceled.

7.3(3) A licensee whose license is suspended or revoked may receive compensation during the period of suspension or revocation only for those acts performed and for which compensation was earned when the person was actively licensed prior to the effective date of the suspension or revocation.

This rule does not determine if a licensee is entitled to compensation; such entitlement would depend upon the licensee's written employment or association agreement with the former affiliated broker and a matter of contract law.

7.3(4) All listings and property management agreements must be canceled by the broker whose license is suspended or revoked upon receipt of the order of revocation or suspension and prior to the effective date of the order.

a. The seller or landlord, or buyer or tenant, shall be advised that the seller or landlord, or buyer or tenant, may enter into a listing or brokerage agreement with another broker of choice.

b. A broker whose license is suspended or revoked may not sell or assign listings or management agreements to another broker without the written consent of the owner of the property, and any sale or assignment of listings or management agreements must be completed prior to the effective date of the order.

7.3(5) A broker whose license is suspended or revoked may not finalize any pending closings. This responsibility must be given to another broker, an attorney, a financial institution, or an escrow company.

a. Transfer of this responsibility shall be done with the written approval of all parties to the transaction.

b. All parties to the transaction shall be advised of the facts concerning the situation and shall be provided the name, address, and telephone number of the responsible entity where all trust and escrow moneys will be held, with the written approval of all parties.

7.3(6) A broker whose license is suspended or revoked is prohibited from advertising real estate in any manner as a broker. All advertising, including but not limited to signs, must be removed or covered within ten calendar days after the effective date of the suspension or revocation.

The real estate brokerage telephone must not be answered in any manner to indicate the broker is active in the real estate business.

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