TITLE 30: Professions and Occupations

PART 1601: Mississippi Real Estate Commission

Part 1601 Chapter 1: Licensing

Rule 1.1 Applying for a License

A. An applicant for a broker's license must pass the National Portion of the broker's examination with a grade of at least 75% and must pass the State Specific Portion of the examination with a grade of at least 80%.

B. An applicant for a salesperson's license must pass the National Portion of the salesperson's examination with a grade of at least 70% and must pass the State Specific Portion of the examination with a grade of at least 75%.

C. An application fee must accompany the application and will not be refunded after the applicant is scheduled for the examination.

D. The approved Examination Testing Provider will administer examination in various locations in and near the State of Mississippi. Applicants will arrange the time and place of their examination with the Testing Provider.

E. When an applicant is approved for either examination, applicant has two months in which to take and pass both the National Portion and the State Specific Portion of the examination. If the applicant fails to appear for the examination within the two months allowed, applicant's fee will be forfeited and their file closed. If the applicant fails to pass the first examination, applicant will be allowed to take the next examination with the payment of an additional fee to the Testing Provider. If the applicant fails to appear for the second examination, fees will be forfeited and their file closed.

F. If a corporation has been chartered by the state of Mississippi, the license will be issued in the corporate name except that no license will be issued for a corporation, company, or trade name where there exists in that county or trade area a real estate broker or real estate agency having a substantially similar name.

G. A real estate licensee of another state who desires to obtain a license under this chapter shall be exempt from the examination provided the examination administered in the other state is determined by the Commission to be equivalent to such examination given in this state and provided that such other state extends this same privilege or exemption to Mississippi real estate licensees.

Real estate education courses obtained through sources (providers) other than those set forth in Section 73-35-7 of the statute but which are accepted in the state where the applicant is licensed, may be accepted by the Commission provided the state where the applicant is licensed has entered into a reciprocal agreement with this state.

Source: Miss. Code Ann. §§ 73-35-35

Rule 1.2 Changing the Status of a License

A. To change a license from active to inactive status, licensee shall notify the Commission in writing, shall insure that the license is returned to the Commission and shall pay the appropriate fee. A licensee who is on inactive status at time of renewal may renew the license on inactive status by filing a renewal application and paying the renewal fee. A broker who terminates a real estate business may place the business license on inactive status. To return to active status, a salesperson or broker/salesperson must file a transfer application. A broker and/or a business license may be activated by notifying the Commission by letter or transfer application including required fee.

B. When a licensee wishes to transfer from one broker to another, the transferring licensee must file a transfer application signed by the new broker accompanied by the transfer fee and must furnish a statement that the licensee is not carrying any listings or pertinent information belonging to the former broker unless that broker so consents.

C. Any licensee who has entered active duty military service due to draft laws or national emergency shall, upon his return to civilian life and within twelve (12) months after honorable discharge, be considered, so far as this Commission is concerned, to have been continuously engaged in the real estate business in the same capacity as when the licensee entered military service.

Source: Miss. Code Ann. §§ 73-35-35

Part 1601 Chapter 2: Fees

Rule 2.1

The following fees are set by the Commission in accordance with Section 73-35-17:

A. Application and one year's use of license:

(1) Broker……... $150.00
(2) Salesperson…….. $120.00

B. Application for license as a real estate broker issued for partnership, association, or corporation and one year's use of license:

(1) Partnership, association or corporation…… $ 75.00
(2) Branch Office……$ 50.00

C. Renewal fees for two-year period (Maximum):

(1) Broker (individual)…….. $150.00

(2) Broker (partnership, association, corporation)…… $150.00
(3) Salesperson……. $120.00
(4) Branch Office……. $100.00

Penalty for late renewal within grace period - 100%

D. Changes:

(1) Place of business change (active license only)…… $ 50.00
(2) Each duplicate license…… $ 50.00
(3) Each transfer of license……. $ 50.00
(4) Status change from active to inactive status…… $ 25.00
(5) Status change from inactive to active status…… $ 50.00

E. Check charge:

(1) Each check returned not paid to the Commission……$ 25.00

Source: Miss. Code Ann. §§ 73-35-35

Rule 2.2 All fees are the same for both Resident and Nonresident Licenses.

Fees and monies payable to the Mississippi Real Estate Commission may be by personal check, cash, cashier's check or money order. All personal checks shall be made payable to the Mississippi Real Estate Commission. Any personal checks returned not paid or for any other reason shall constitute justifiable grounds for refusing, suspending or revoking a license.

Non-sufficient fund (NSF) checks, if not made good by renewal deadline, will cause the licensee to be in non-renewal status and necessitates the payment of a penalty (100%) by licensee.

Source: Miss. Code Ann. §§ 73-35-35

Part 1601 Chapter 3: Administration/Conducting Business

Rule 3.1 General Rules

A. It shall be the duty of the responsible broker to instruct the licensees licensed under that broker in the fundamentals of real estate practice, ethics of the profession and the Mississippi Real Estate License Law and to exercise supervision of their real estate activities for which a license is required.

B. A real estate broker who operates under the supervision of a responsible broker must not at any time act independently as a broker. The responsible broker shall at all times be responsible for the action of the affiliated broker to the same extent as though that licensee were a salesperson and that affiliated broker shall not perform any real estate service without the full consent and knowledge of his employing or supervising broker.

However, should the responsible broker agree that a broker under his supervision may perform certain real estate services outside the responsible broker's supervision or direction, the responsible broker shall notify the Commission in writing as to the exact nature of such relationship and the names of the broker or brokers involved. The responsible broker shall immediately notify the Commission in writing upon the termination of such relationship.

C. A licensed Mississippi broker may cooperate with a broker licensed in another state who does not hold a Mississippi license through the use of a cooperative agreement. A separate cooperative agreement must be filed for each property, prospective user or transaction with said writing reflecting the compensation to be paid to the Mississippi licensed broker. The listing or property management agreement for the Mississippi real property shall in such cases remain in the name of the Mississippi licensed broker.

The commissions or other compensation resulting from the sale/rent/lease/property management or auction of the Mississippi real property and which are earned during the period the cooperative agreement is in force shall be divided on a negotiable basis between the Mississippi broker and the nonresident broker.

A responsible (principal) nonresident broker described herein is defined as an active, licensed responsible real estate broker of another state who does not possess an active responsible nonresident real estate broker's license issued by the Mississippi Real Estate Commission (MREC). A Mississippi broker described herein is a responsible (principal) real estate broker whose license is on active status and whose license was issued by MREC either as a responsible resident Mississippi broker or as a responsible nonresident Mississippi broker.

The responsible nonresident broker cannot place any sign on real property located in the state of Mississippi without the written consent of the cooperating responsible Mississippi broker. When the consent is obtained, the sign of the responsible Mississippi broker must be placed in a prominent place and in close proximity to the responsible nonresident broker's sign. Any licensed responsible Mississippi broker assisting or cooperating in the sale, lease, property management, rental or auction of real property within the state of Mississippi with a responsible nonresident broker who fails or refuses to list his or her name in such advertisement, or fails or refuses to cross-list such property with him or her, in writing, shall be deemed in violation of Section 73-35-11 of the Real Estate Broker's License Act, and shall be subject to a revocation or suspension of his or her license. In such instance herein where a responsible Mississippi broker enters into a cooperative agreement with a responsible nonresident broker pertaining to the sale of real property within the state of Mississippi, the responsible Mississippi broker must file two copies of the cooperating agreement with the Mississippi Real Estate Commission.

D. A responsible broker must maintain an office and display the license therein. If the broker has more than one office, the broker shall display a branch office license in each branch office. The broker is responsible for the real estate practices of those licensees.

E. No licensee shall pay any part of a fee, commission, or other compensation received by such licensee in buying, selling, exchanging, leasing, auctioning or renting any real estate except to another licensee through the licensee's responsible broker.

No licensee shall knowingly pay a commission, or other compensation to a licensed person knowing that licensee will in turn pay a portion or all of that which is received to a person who does not hold a real estate license.

A licensee who has changed to inactive status or who has transferred to another responsible broker may receive compensation from the previous responsible broker if the commission was generated from activity during the time that the licensee was under the supervision of that responsible broker.

F. Any licensee who fails in a timely manner to respond to official Mississippi Real Estate Commission written communication or who fails or neglects to abide by Mississippi Real Estate Commission's Rules and Regulations shall be deemed, prima facie, to be guilty of improper dealing.

G. A real estate broker or salesperson in the ordinary course of business may give an opinion as to the sales price of real estate for the purpose of a prospective listing or sale; however, this opinion as to the listing price or the sale price shall not be referred to as an appraisal and must be completed in compliance with Section 73-35-4 of the Real Estate Broker's License Act and must conform to the Standards established by the National Association of Broker Price Opinion Professionals (NABPOP).

H. When an offer is made on property owned by a party with whom a broker has entered into a listing agreement, such broker shall document and date the seller's personal acceptance or rejection of the offer and upon written request, shall provide a copy of such document to the person making the offer.

I. A real estate licensee shall not be exempt from disciplinary actions by the commission when selling property owned by the licensee.

Source: Miss. Code Ann. §§ 73-35-35

Rule 3.2 Documents

A. A real estate licensee shall **immediately (at the time of signing)** deliver a true and correct copy of any instrument to any party or parties executing the same.

B. All exclusive listing agreements shall be in writing, properly identify the property to be sold, and contain all of the terms and conditions under which the transaction is to be consummated; including the sales price, the considerations to be paid, the signatures of all parties to the agreement, and a definite date of expiration. No listing agreement shall contain any provision requiring the listing party to notify the broker of their intention to

cancel the listing after such definite expiration date. An "Exclusive Agency" listing or "Exclusive Right to Sell" listing shall clearly indicate in the listing agreement that it is such an agreement.

C. All exclusive buyer representation agreements shall be in writing and properly identify the terms and conditions under which the buyer will rely on the broker for the purchase of real estate; including the sales price, the considerations to be paid, the signatures of all parties to the agreement, and a definite date of expiration. The buyer may terminate the agreement upon fifteen (15) calendar days written notice to the buyer's exclusive agent. An Exclusive Buyer Representation agreement shall clearly indicate in the body of the document that it is such an agreement.

D. In the event that more than one written offer is made before the owner has accepted an offer, any other written offer received by the listing broker, whether from a prospective purchaser or from another licensee cooperating in a sale, shall be presented to the owner unless the listing broker has specific, written instructions from the owner to postpone the presentation of other offers. Broker should caution the seller against countering on more than one offer at the same time.

E. Every real estate contact must reflect whom the broker represents by a statement over the signatures of the parties to the contract.

F. No licensee shall represent to a lender or any other interested party, either verbally or through the preparation of a false sales contract, an amount in excess of the true and actual selling price.

G. A real estate broker must keep on file for three years following its consummation, complete records relating to any real estate transaction. This includes, but is not limited to: listings, options, leases, offers to purchase, contracts of sale, escrow records, agency agreements and copies of all closing statements.

Source: Miss. Code Ann. §§ 73-35-35

Rule 3.3 Advertising

A. The use of any copyrighted term or insignia on stationery, office signs, or in advertising by any licensee not authorized to do so, will be considered as "substantial misrepresentation" and cause for refusal, suspension, or revocation of the license.

A licensee shall not advertise to sell, buy, exchange, auction, rent or lease property in a manner indicating that the offer to sell, buy, exchange, auction, rent, or lease such property is being made by a private party not engaged in the real estate business. No advertisement shall be inserted by a licensee in any publication where only a post office box number, telephone number, or street address appears. Every licensee, when advertising real estate in any publication, shall indicate that the party advertising is licensed in real estate. All advertising must be under the direct supervision and in the

name of the responsible broker or in the name of the real estate firm.

B. When a licensee is advertising their own property for sale, purchase or exchange which is not listed with a broker, the licensee must indicate that he or she is licensed. The disclosure of licensee's status must be made in all forms of advertising, including the "for sale" sign.

C. In addition to disclosing their licensed status in advertisements, licensees are required to disclose their licensed status on all contracts for real estate in which they have an ownership interest.

A broker shall advertise in the name in which the license is issued. A broker may use a descriptive term after the broker's name to indicate the occupation in which engaged, for example, "realty", "real estate", "property management". If advertising in any other form, a partnership, trade name, association, company or corporation license must be obtained prior to advertising in that manner.

Source: Miss. Code Ann. §§ 73-35-35

Rule 3.4 Earnest Money

A. The responsible broker is responsible at all times for earnest money deposits. Earnest money accepted by the broker or any licensee for which the broker is responsible and upon acceptance of a mutually agreeable contract is required to deposit the money into a trust account prior to the close of business of the next banking day. The responsible broker is required to promptly account for and remit the full amount of the deposit or earnest money at the consummation or termination of transaction. A licensee is required to pay over to the responsible broker all deposits and earnest money immediately upon receipt thereof. Earnest money must be returned promptly when the purchaser is rightfully entitled to same allowing reasonable time for clearance of the earnest money check. In the event of uncertainty as to the proper disposition of earnest money, the broker may turn earnest money over to a court of law for disposition. Failure to comply with this regulation shall constitute grounds for revocation or suspension of license.

B. When the broker is the agent for the seller and for any reason the seller fails or is unable to consummate the transaction, the broker has no right to any portion of the earnest money deposited by the purchaser, even if a commission has been earned. The entire amount of the earnest money deposit must be returned to the purchaser and the broker should look to the seller for compensation.

C. Accurate records shall be kept on escrow accounts of all monies received, disbursed, or on hand. All monies shall be individually identified as to a particular transaction. Escrow records shall be kept in accordance with standard accounting practices and shall be subject to inspection at all times by the Commission.

Monies received in a trust account on behalf of clients or customers are not assets of the

broker; however, a broker may deposit and keep in each escrow account or rental account some personal funds for the express purpose of covering service charges and other bank debits related to each account.

D. If a broker, as escrow agent, accepts a check and later finds that such check has not been honored by the bank on which it was drawn, the broker shall immediately notify all parties involved in the transaction.

Source: Miss. Code Ann. §§ 73-35-35

Part 1601 Chapter 4: Agency Relationship Disclosure

Rule 4.1 Purpose

Consumers shall be fully informed of the agency relationships in real estate transactions identified in Section 73-35-3. This rule places specific requirements on Brokers to disclose their agency relationship. This does not abrogate the laws of agency as recognized under common law and compliance with the prescribed disclosures will not always guarantee that a Broker has fulfilled all of his responsibilities under the common law of agency. Compliance will be necessary in order to protect licensees from impositions of sanctions against their license by the Mississippi Real Estate Commission. Special situations, where unusual facts exist or where one or more parties involved are especially vulnerable, could require additional disclosures not contemplated by this rule. In such cases, Brokers should seek legal advice prior to entering into an agency relationship.

Source: Miss. Code Ann. §§ 73-35-3

Rule 4.2 Definitions

A. "Agency" shall mean the relationship created when one person, the Principal (client), delegates to another, the agent, the right to act on his behalf in a real estate transaction and to exercise some degree of discretion while so acting. Agency may be entered into by expressed agreement, implied through the actions of the agent and or ratified after the fact by the principal accepting the benefits of an agent's previously unauthorized act. An agency gives rise to a fiduciary relationship and imposes on the agent, as the fiduciary of the principal, certain duties, obligations, and high standards of good faith and loyalty.

B. "Agent" shall mean one who is authorized to act on behalf of and represent another. A real estate broker is the agent of the principal (client) to whom a fiduciary obligation is owed. Salespersons licensed under the broker are subagents of the Broker, regardless of the location of the office in which the salesperson works.

C. "Client" shall mean the person to whom the agent owes a fiduciary duty. It can be a seller, buyer, landlord, tenant or both.

D. "Compensation" is that fee paid to a broker for the rendering of services.

Compensation, when considered alone, is not the determining factor in an agency relationship. The relationship can be created regardless of whether the seller pays the fee, the buyer pays the fee, both pay the fee or neither pays a fee.

E. "Customer" shall mean that person not represented in a real estate transaction. It may be the buyer, seller, landlord or tenant.

F. "Disclosed Dual Agent" shall mean that agent representing both parties to a real estate transaction with the informed consent of both parties, with written understanding of specific duties and representation to be afforded each party. There may be situations where disclosed dual agency presents conflicts of interest that cannot be resolved without breach of duty to one party or another. Brokers who practice disclosed dual agency should do so with the utmost caution to protect consumers and themselves from inadvertent violation of demanding common law standards of disclosed dual agency.

G. "Fiduciary Responsibilities" are those duties due the principal (client) in a real estate transaction are:

(1) 'Loyalty' - the agent must put the interests of the principal above the interests of the agent or any third party.

(2) 'Obedience' - the agent agrees to obey any lawful instruction from the principal in the execution of the transaction that is the subject of the agency.

(3) 'Disclosure' - the agent must disclose to the principal any information the agent becomes aware of in connection with the agency.

(4) 'Confidentiality' - the agent must keep private information provided by the principal and information which would give a customer an advantage over the principal strictly confidential, unless the agent has the principal's permission to disclose the information. This duty lives on after the agency relationship is terminated.

(5) 'Reasonable skill, care and diligence' - the agent must perform all duties with the care and diligence which may be reasonably expected of someone undertaking such duties.

(6) 'Full accounting' - the agent must provide a full accounting of any money or goods coming into the agent's possession which belong to the principal or other parties.

H. "First Substantive Meeting" shall be:

(1) In a real estate transaction in which the Broker is the agent for the seller, first substantive meeting shall be before or just immediately prior to the first of any of the following:

(a) Showing the property to a prospective buyer.

(b) Eliciting confidential information from a buyer concerning the buyers' real estate needs, motivation, or financial qualifications.

(c) The execution of any agreements governed by Section 73-35-3 of the Mississippi Code of 1972 Annotated.

(2) For the seller's agent, the definition shall not include:

(a) A bona fide "open house" or model home showing which encompasses (1) (a) above only; however, whenever an event described in (1) (b) or (1) (c) occurs, disclosure must be made.

(b) Preliminary conversations or "small talk" concerning price range, location and property styles.

(c) Responding to general factual questions from a prospective buyer concerning properties that have been advertised for sale or lease.

(3) In a real estate transaction in which the Broker is the agent for the buyer, first substantive meeting shall be at the initial contact with a seller or a seller's agent or before or just immediately prior to the first of any of the following:

(a) Showing the property of a seller to a represented buyer.

(b) Eliciting any confidential information from a seller concerning their real estate needs, motivation, or financial qualifications.

(c) The execution of any agreements governed by Section 73-35-3 of the MS Code.

(4) For the buyer's agent, the definition shall not include:

(a) A bona fide "open House" or model home showing which encompasses (3) (a) above only; however, whenever an event described in (3) (b) or (3) (c) occurs, disclosure must be made.

(b) Preliminary conversations or "small talk" concerning price range, location and property styles.

(c) Responding to general factual questions from a prospective buyer concerning properties that have been advertised for sale or lease.

I. "Single Agency" shall mean a broker who has chosen to represent only one party to a real estate transaction. It may be either the buyer, seller, lessor or lessee or any party in a

transaction governed by Section 73-35-3.

Source: § Source: Miss. Code Ann. §§ 73-35-3

Rule 4.3 Disclosure Requirements

A. In a single agency, a broker is required to disclose, in writing, to the party for whom the broker is an agent in a real estate transaction that the broker is the agent of the party. The written disclosure must be made before the time an agreement for representation is entered into between the broker and the party. This shall be on an MREC Agency Disclosure Form.

B. In a single agency, a real estate broker is required to disclose, in writing, to the party for whom the broker is not an agent, that the broker is an agent of another party in the transaction. The written disclosure shall be made at the time of the first substantive meeting with the party for whom the broker is not an agent. This shall be on an MREC Agency Disclosure Form.

C. Brokers operating in the capacity of disclosed dual agents must obtain the informed written consent of all parties prior to or at the time of formalization of the dual agency. Informed written consent to disclosed dual agency shall be deemed to have been timely obtained if all of the following occur:

(1) The seller, at the time an agreement for representation is entered into between the broker and seller, gives written consent to dual agency by signing the Consent To Dual Agency portion of MREC Form A.

(2) The buyer, at the time an agreement for representation is entered into between the broker and buyer, gives written consent to dual agency by signing the Consent To Dual Agency portion of MREC Form A.

(3) The Broker must confirm that the buyer(s) understands and consents to the consensual dual agency relationship prior to the signing of an offer to purchase. The buyer shall give his/her consent by signing the MREC Dual Agency Confirmation Form which shall be attached to the offer to purchase. The Broker must confirm that the seller(s) also understands and consents to the consensual dual agency relationship prior to presenting the offer to purchase. The seller shall give his/her consent by signing the MREC Dual Agency Confirmation Form attached to the buyer's offer. The form shall remain attached to the offer to purchase regardless of the outcome of the offer to purchase.

D. In the event the agency relationship changes between the parties to a real estate transaction, new disclosure forms will be acknowledged by all parties involved.

E. In the event one or more parties are not available to sign one or more of the Disclosure Forms, the disclosure will be accomplished orally. The applicable form will be so noted

by the Broker and said forms will be forwarded for signature(s) as soon as possible. Written electronic transmission will fulfill this requirement.

F. In the event any party receiving a disclosure form requests not to sign that form acknowledging receipt, the Broker shall annotate the form with the following statement:

> "A COPY OF THIS FORM WAS DELIVERED TO _____ DATE_____. RECIPIENT DECLINED TO ACKNOWLEDGE RECEIPT OF THIS FORM."

G. The terms of the agency relationship shall be ratified on all contracts pertaining to real estate transactions.

H. The Commission mandated disclosure form may be duplicated in content and size but not altered.

I. Completed Agency Disclosure Forms shall be maintained in accordance with Rules and Regulations IV. B (6).

Source: Source: Miss. Code Ann. §§ 73-35-3

Rule 4.4 Disclosure Exception

A licensee shall not be required to comply with the provisions of Section 3, when engaged in transactions with any corporation, non-profit corporation, professional corporation, professional association, limited liability company, partnership, real estate investment trust, business trust, charitable trust, family trust, or any governmental entity in transactions involving real estate.

Operating under this exception in no way circumvents the common law of agency.

Source: Miss. Code Ann. §§ 73-35-35

Part 1601 Chapter 5: Complaint Procedure

Rule 5.1 Notifications of Complaints to the Commission

A. All complaints submitted to the Commission shall be properly certified on forms furnished by the Commission.

B. Every licensee shall, within ten days, notify the Real Estate Commission of any adverse court decisions in which the licensee appeared as a defendant.

C. It shall be mandatory for a responsible broker to notify the Commission if the responsible broker has reason to believe that a licensee for whom the broker is responsible has violated the Real Estate License Law or Rules and Regulations of the Commission.

D. If a broker finds that a licensee licensed under that broker has been operating independently or through some other broker, the broker shall notify the Commission immediately and forward said individual's license to the Commission.

E. A Real Estate Commissioner shall avoid private interviews, arguments, briefs or communication that may influence said Commissioner's decision on any pending complaints or hearings.

F. The expiration, suspension or revocation of a responsible broker's license shall automatically suspend the license of every real estate licensee currently under the supervision of that broker. In such cases, a licensee may transfer to another responsible broker.

Source: Miss. Code Ann. §§ 73-35-35

Part 1601 Chapter 6: Continuing Education

Rule 6.1 Approved Courses

A. Any course that meets the educational requirements as set forth in Section 73-35-7 of the Mississippi Real Estate Broker's License Act of 1954, as Amended.

B. Any course sponsored or provided by the Mississippi Real Estate Commission.

C. Any course which has been individually approved by the Commission pursuant to the provisions of this rule and which must be approved prior to presentation of the course, except that, in the Commission's discretion, courses which have not received such prior approval but which meet the proper criteria may be approved for credit for licensees who have completed such course.

D. Any course which has been approved for real estate continuing education by any state or country which is a member of the Association of Real Estate License Law Officials (ARELLO) and which course satisfies the requirements set forth in Rule VI (B) (3) with the exception of instruction in license law which pertains solely to a state other than Mississippi.

Source: Miss. Code Ann. §§ 73-35-35

Rule 6.2 Procedures and Criteria for Approval of Courses

A. Definitions:

(1) "Provider" - any individual person, partnership, association, legally established corporation or LLC, educational organization, or other entity that sponsors, offers, organizes, provides or promotes real estate continuing education courses.

(2) "Instructor" - a person who delivers educational material information directly to students.

B. A provider desiring approval of continuing education course referred to in Section 73-35-18, Mississippi Code of 1972, Annotated, shall make application to the Commission on forms provided by the Commission. The provider, course, and instructor must receive concurrent approval.

C. All requests for course accreditation shall be submitted on forms provided by MREC and will require copies of all student materials as well as documentation that includes the following:

(1) Course descriptions of each subject in the course.

(2) Measurable learning objectives for each subject.

(3) Specific process for evaluation and improvement of content.

(4) Specific processes for selecting and evaluating instructors.

(5) Specific processes for record-keeping and the administration of examinations.

D. For courses offered through distance learning:

(1) Courses in Mississippi license law, contract law, and agency shall include course content and application specific to Mississippi practice and custom.

(2) Out-of-state providers must provide copies or screen prints of all Mississippi specific content for MREC review and approval.

(3) On-line or CD-ROM courses relating to Mississippi license law and agency must include instruction in the use of the Mississippi mandatory forms as well as provide a mechanism for the student to view and download the forms.

E. Standards for approval of course:

(1) A proposed continuing education course shall be a real estate oriented educational session or course intended to improve skills of licensees and to keep licensees abreast of changing real estate practices and laws.

(2) Courses shall be taught only by approved, qualified instructors.

(3) Courses shall be offered in minimum two-hour segments.

(4) Courses, instructors and providers shall be approved for one (1) year periods and shall be required to renew if the course is to be continued.

(5) Licensees shall physically attend in order to receive a certificate.

Source: Miss. Code Ann. §§ 73-35-35

Rule 6.3 Qualifications of Instructors

The education and experience of the instructor must be appropriate to teach the subject matter.

Source: Miss. Code Ann. §§ 73-35-35

Rule 6.4 Administrative Requirements - Applies to VI A. 2. & 3.

A. Providers of continuing education courses shall furnish the Commission with a class roster within thirty (30) days after completion of each course listing each Mississippi licensee in attendance in alphabetical order.

B. Providers will utilize a three-part certificate for the purpose of certifying individual attendance. One designated part shall be returned completed to the commission, one designated part shall be given to each attendee at the conclusion of the course, and the remaining par shall be retained by the provider furnishing such information as may be called for on the certificate.

C. Attendance and other records of each provider must be kept on file for a period of three years and are subject to inspection by the Commission at any time during normal business hours.

Source: Miss. Code Ann. §§ 73-35-35

Rule 6.5 Advertising and solicitation

A**.** An approved real estate provider must include, in all forms of advertising, the school's name and the physical location of its principal place of business.

B. An approved real estate provider may not advertise through oral statements or written text in such a manner that the statement is included or contained in any advertisement by a real estate broker and no advertisement of a licensed school may refer to the brokerage operation or include the telephone number of any individual broker.

C. An approved real estate provider may not:

(1) Indicate any name other than the name approved by the Mississippi Real Estate Commission (MREC).

(2) Indicate that it has been endorsed, recommended, or certified by the MREC except that the provider may advertise that it is approved by the MREC to provide

instruction in real estate courses.

(3) Indicate that successful completion of its curriculum will result in passing a real estate licensing exam, may not make any guarantee of employment to a student or prospective student, and may not promote the business or any real estate licensee, real estate franchise, or network.

Source: Miss. Code Ann. §§ 73-35-35

Rule 6.6 Relationship with providers

A. No real estate education presentation may be conducted in a facility that is also utilized for conducting the business of real estate brokerage unless all participants are licensees of the brokerage firm conducting the courses.

B. No real estate education provider will allow in-person or electronic solicitation of students for employment. A provider may not post, distribute, or display written material concerning employment nor use any approved course for the purpose of discussing, inducting, or promoting affiliation with any broker or brokerage firm during the prescribed class hours nor during the breaks between such class hours.

C. Providers may advertise that a course meets a portion of the continuing education requirements; however, no advertisement shall be used which states or implies that the Mississippi Real Estate Commission has approved or passed on the merits of a course.

Source: Miss. Code Ann. §§ 73-35-35

Rule 6.7 Suspension or Revocation of Approval

Failure to comply with any provision of this rule shall constitute grounds for suspension or revocation of the approval of a course, a provider or an instructor, or other such action as deemed appropriate by the Commission.

Source: Miss. Code Ann. §§ 73-35-35

Part 1601 Chapter 7: INSPECTION OF OFFERINGS FROM OUT OF STATE

Rule 7.1 Out-of-state Developers

Out-of-state land developers who desire to advertise out-of-state property in Mississippi (except in national publications) shall first contact the Mississippi Real Estate Commission to have the property approved for advertising. The Mississippi Real Estate Commission may in its discretion conduct an on-site inspection of the property at the cost of the developer. The developer shall, upon request from the Mississippi Real Estate Commission, provide such documentation which will establish the truth and accuracy of the proposed advertisements. A Mississippi broker who becomes the agent or representative of the out-of-state developer, shall

be responsible for the truth and accuracy of representation, offerings and advertising of such properties in the State of Mississippi.

Source: Miss. Code Ann. §§ 73-35-35

Part 1601 Chapter 8: Time Shares

Rule 8.1 Licensing

Any seller, other than the developer and its regular employees, of a timeshare plan within the State of Mississippi must be a licensed Real Estate Broker or Real Estate Salesperson pursuant to and subject to Mississippi Law and the Rules and Regulations of the Mississippi Real Estate Commission.

Source: Miss. Code Ann. §§ 73-35-35

Rule 8.2 Definitions

A. “Accommodations" means any structure, service improvement, facility, apartment, condominium or cooperative unit, cabin, lodge, hotel or motel room, or any other private or commercial structure, which is situated on real property and designed for occupancy by one or more individuals.

B. "Advertising" or "Advertisement" means any written, oral, or electronic communication which contains a promotion, inducement, or offer to sell a timeshare plan, including, but not limited to, brochures, pamphlets, radio and television scripts, electronic media, telephone and direct mail solicitations, and other means of promotion.

C. "Assessment" means the share of funds required for the payment of common expenses that are assessed from time to time against each timeshare interest owner by the managing entity.

D. "Association" means the organized body consisting of the owners of timeshare interests in a timeshare plan.

E. "Common Expenses" means taxes, casualty and liability insurance, and those expenses properly incurred for the maintenance, operation, and repair of all accommodations constituting the timeshare plan and any other expenses designated as common expenses by the timeshare instrument.

F. "Developer" means and includes any person who creates a timeshare plan or is in the business of selling timeshare interests, or employs agents to do the same, or any person who succeeds to the interest of a developer by sale, lease, assignment, mortgage, or other transfer, but the term includes only those persons who offer timeshare interests for disposition in the ordinary course of business and does not include those sellers who sell timeshare interests on the developer's behalf.

G. "Managing entity" means the natural person or other entity that undertakes the duties, responsibilities, and obligations of the management of a timeshare plan.

H. "Exchange program" means any method, arrangement, or procedure for the voluntary exchange of timeshare interests or other property interests. The term does not include the assignment of the right to use and occupy accommodations to owners of timeshare interests within a timeshare plan. Any method, arrangement, or procedure that otherwise meets this definition in which the purchaser's total contractual financial obligation exceeds three thousand dollars ($3,000) per any individual, recurring timeshare period, shall be regulated as a timeshare plan in accordance with these rules. For purposes of determining the purchaser's total contractual financial obligation, amounts to be paid as a result of renewals and options to renew shall be included except for the following:

(1) the amounts to be paid as a result of any optional renewal that a purchaser, in his or her sole discretion may elect to exercise or

(2) the amounts to be paid as a result of any automatic renewal in which the purchaser has a right to terminate during the renewal period at any time and receive a pro rata refund for the remaining unexpired renewal term or

(3) amounts to be paid as a result of an automatic renewal wherein the purchaser receives a written notice no less than 30 nor more than 90 days prior to the date of renewal informing the purchaser of the right to terminate prior to the date of renewal.

Notwithstanding these exceptions, if the contractual financial obligation exceeds three thousand dollars ($3,000) for any three-year period of any renewal term, amounts to be paid as a result of that renewal shall be included in determining the purchaser's total contractual financial obligation.

I. "Offer to sell", "offer for sale," "offered for sale," or "offer" means solicitation of purchasers, the taking of reservations, or any other method whereby a purchaser is offered the opportunity to participate in a timeshare plan.

J. "Purchaser" means any person, other than a developer, who by means of a voluntary transfer for consideration acquires a legal or equitable interest in a timeshare plan other than as security for an obligation.

K. "Reservation system" means the method or arrangement which purchasers are required to utilize in order to reserve the use and occupancy of accommodations in a timeshare plan.

L. "Seller" means any developer or any other person, or agent or employee thereof: who offers timeshare periods for sale to the public in the ordinary course of business, except a person who has acquired a timeshare period for the person's own use and occupancy and

who later offers it for resale.

M. "Timeshare instrument" means one or more documents, by whatever name denominated, creating or governing the operation of a timeshare plan and includes the declaration or other legal instrument dedicating the accommodations to the timeshare plan.

N. "Timeshare interest" means and includes either of the following:

(1) A "timeshare estate," which is the right to occupy a timeshare property, coupled with a freehold estate or an estate for years with a future interest in a timeshare property or a specified portion thereof.

(2) A "timeshare plan" which is the right to occupy a timeshare property, which right is neither coupled with a freehold interest, nor coupled with an estate for years with a future interest, in a timeshare property.

O. "Timeshare plan" means any arrangement, plan, scheme, or similar device, other than an exchange program, whether by membership agreement, sale, lease, deed, license, right to use agreement, or by any other means, whereby a purchaser, in exchange for consideration, receives ownership rights in or the right to use accommodations for a period of time less than a full year during any given year, on a recurring basis for more than one year, but not necessarily for consecutive years. A timeshare plan may be either of the following:

(1) A "single-site timeshare plan" which is the right to use accommodations at a single timeshare property; or

(2) A "multi-site timeshare plan" that includes either of the following:

(a) A "specific timeshare interest" which is the right to use accommodations at a specific timeshare property, together with use rights in accommodations at one or more other component sites created by or acquired through the timeshare plan's reservation system; or

(b) A "non-specific timeshare interest" which is the right to use accommodations at more than one component site created by or acquired through the timeshare plan's reservation system, but including no right to use any specific accommodation.

P. "Timeshare property" means one or more accommodations subject to the same timeshare instrument, together with any other property or rights to property appurtenant to those accommodations.

Q. "Mississippi Real Estate Commission," or "Commission" means the agency of the State of Mississippi created by §73-35-1, *et seq.* To regulate the licensing of real estate brokers and salespersons and by §73-35-35 directed to regulate the sale of timeshare and

condominium properties.

Source: Miss. Code Ann. §§ 73-35-35

Rule 8.3 Registration

A. Developer registration; offer or disposal of interest. - A developer, or any of its agents, shall not sell, offer or dispose of a timeshare interest in the state unless all necessary registration requirements are completed and approved by the Mississippi Real Estate Commission, or the sale, offer, or disposition is otherwise permitted by or exempt from these rules. A developer, or any of its agents, shall not sell, offer or dispose of a timeshare interest in the state while an order revoking or suspending a registration is in effect.

B. Exemptions from developer registration

(1) A person is exempt from the registration requirements under the following circumstances.

(a) An owner of a timeshare interest who has acquired the timeshare interest from another for the owner's own use and occupancy and who later offers it for resale; or

(b) A managing entity or an association that is offering to sell one or more timeshare interests acquired through foreclosure, deed in lieu of foreclosure or gratuitous transfer, if such acts are performed in the regular course of or as incident to the management of the association for its own account in the timeshare plan; or

(c) The person offers a timeshare plan located outside of Mississippi in a national publication or by electronic media, which is not directed to or targeted to any individual located in Mississippi and contains appropriate disclaimers; or

(d) The person is conveyed, assigned, or transferred more than seven timeshare interests from a developer in a single voluntary or involuntary transaction arid subsequently conveys, assigns, or transfers all of the timeshare interests received from the developer to a single purchaser in a single transaction.

(e) (i) The developer is offering a timeshare interest to a purchaser who has previously acquired a timeshare interest from the same developer if the developer has a timeshare plan registered with the Commission, which was originally approved by the Commission within the preceding seven (7) years and, further, provides the purchaser:

(A) a cancellation period of at least seven (7) calendar days;

(B) all the timeshare disclosure documents that are required to be provided to purchasers as if the sale occurred in the state or jurisdiction where the timeshare property is located; and

(ii) By making such an offering or disposition, the person is deemed to consent to the jurisdiction of the Commission in the event of a dispute with the purchaser in connection with the offering or disposition.

(f) An offering of any plan in which the purchaser's total financial obligation is $3,000 or less during the term of the plan; for purposes of determining the purchaser's total financial obligation, all amounts to be paid during any renewal or periods of optional renewal shall be included.

(g) Hotels including any hotel, inn, motel, tourist court, apartment house, rooming house, or other place where sleeping accommodations are furnished or offered for pay if four (4) or more rooms are available therein for transient guests as defined in Miss. Code Ann. §41-49-3.

(h) Campground, which is located on real property, made available to persons for camping, whether by tent, trailer, camper, cabin, recreational vehicle or similar device and shall include the outdoor recreational facilities located on the real property;

(i) Hunting camp which means land or facilities located on real property which is established for the principal purpose of hunting or fishing activities which are subject to licensing by the State of Mississippi pursuant to Miss. Code Ann. §49-7-1, *et seq.*

(j) Owner referrals as described in Section N of these rules.

C. Developer Registration Requirements

(1) Any person who, to any individual in Mississippi, sells, offers to sell, or attempts to solicit prospective purchasers to purchase a timeshare interest, or any person who creates a timeshare plan with an accommodation in Mississippi must register the timeshare plan with the Commission unless the timeshare plan is otherwise exempt from this Chapter.

(2) The developer shall have the duty to supervise and control all aspects of the offering of a timeshare plan including, but not limited to the promotion, advertising, contracting and closing.

(3) The developer must provide proof as part of the registration that he will comply

with escrow, bonding, or other financial assurance requirements for purchaser funds, including escrow during the rescission period, escrow funds until substantial completion, or bonding, letter of credit or other financial assurances acceptable to the Commission.

(4) All timeshare plans shall maintain a one-to-one purchaser to accommodation ratio, which is the ratio of the number of purchasers eligible to use the accommodations of a timeshare plan on a given day to the number of accommodations available for use within the plan on that day, such that the total number of purchasers eligible to use the accommodations of the timeshare plan during a given calendar year never exceeds the total number of accommodations available for use in the timeshare plan during that year. For purposes of calculation under this subsection, each purchaser must be counted at least once, and no individual timeshare unit may be counted more than 365 times per calendar year (or more than 366 times per leap year). A purchaser who is delinquent in the payment of timeshare plan assessments shall continue to be considered eligible to use the accommodations of the timeshare plan.

D. Comprehensive registration

(1) In registering a timeshare plan, the developer shall provide all of the following information:

(a) The developer's legal name, any assumed names used by the developer, principal office, street address, mailing address, primary contact person, telephone, electronic mail and facsimile numbers;

(b) The name of the developer's authorized or registered agent in Mississippi upon whom claims may be served or service of process be had, the agent's street address in Mississippi and telephone number;

(c) The name, street address, mailing address, primary contact person and telephone, electronic mail and facsimile numbers of any timeshare plans being registered;

(d) The name, street address, mailing address and telephone, electronic mail and facsimile numbers of any managing entity of the timeshare plan if other than the developer;

(e) Current status of title by a title insurance company qualified and registered to do business in Mississippi, or in the jurisdiction where the timeshare plan is located;

(f) A copy of the proposed or existing covenants, conditions and restrictions applicable to the timeshare plan;

(g) Exemplars of all contracts, deeds, fact sheets and other instruments to be used in marketing, financing and conveying the timeshare interests;

(h) A copy of the management agreement for the timeshare plan;

(i) A detailed description of the furnishing(s) and other personal property to be included in the timeshare plans;

(j) Agreement of the developer to subsidize maintenance and operation of the timeshare plan, if any;

(k) Description of other services and amenities advertised with the timesharing plan;

(l) Evidence of financial assurances, if any;

(m) Evidence of compliance with escrow or other financial assurance requirements for protection of purchaser funds pursuant to these rules.

(n) Where the timeshare plan uses a reservation system, the developer shall provide evidence that provisions are in place to assure that, in the event of termination of the operator of the reservation system, an adequate period of continued operation exists to assure a transition to a substitute operator or mechanism for the operation of the reservation system. In addition, there shall be a requirements to transfer all relevant data contained in the reservation system to the successor operator of the system.

(o) A description of the inventory control system that will ensure compliance with subsection 3.c. of this section.

(p) A public offering statement which complies with the requirements set forth below; and

(q) Any other information regarding the developer, timeshare plan, or managing entities, as reasonably required by the Commission for the protection of the purchasers.

E. Abbreviated Registration

(1) The Commission may accept an abbreviated application from a developer of a timeshare plan in which all accommodations are located outside of the state. A developer of a timeshare plan with any accommodation located in Mississippi may not file an abbreviated filing, with the exception of a succeeding developer after a merger or acquisition when the developer's timeshare plan was registered in the state immediately preceding the merger or acquisition.

(2) As a part of any application for an abbreviated registration, the developer must provide a certificate of registration or other evidence of registration from the appropriate regulatory agency in the jurisdiction in which the accommodations offered in Mississippi are located, or other evidence of compliance by the timeshare plan with the laws of the jurisdiction where the accommodations are located. Such other jurisdiction must have disclosure requirements that are substantially equivalent or greater than the information required to be disclosed to purchasers by these rules. A developer filing an abbreviated registration application must also provide the following:

(a) The developer's name, any assumed names used by the developer, the developer's principal office location, mailing address, primary contact person and telephone, electronic mail and facsimile numbers;

(b) The name, location, mailing address, primary contact person and the telephone, electronic mail and facsimile numbers of the timeshare plan, if different from the developer;

(c) The name of the authorized agent or registered agent in Mississippi upon whom claims can be served or service of process can be had, and the address in Mississippi of the authorized agent or registered agent;

(d) The names of any sales entity if other than the developer and the managing' entity and their principal office locations, mailing address and telephone, electronic mail and facsimile numbers;

(e) A statement as to whether the timeshare plan is a single-site timeshare plan or a multi-site timeshare plan and, if a multi-site timeshare plan, whether it consists of specific timeshare interests or non-specific timeshare interests;

(f) Disclosure of each jurisdiction in which the developer has applied for registration of the timeshare plan and whether the timeshare plan, its developer or any of its sales agents or managing entities utilized were denied registration or were the subject of any disciplinary proceedings;

(g) Copies of any disclosure documents required to be given to purchasers or required to be filed with the jurisdiction in which the timeshare plan is approved or accepted as may be requested by the Commission;

(h) The appropriate fees, if any, and

(i) Other information reasonably required by the Commission or established by rule.

F. Preliminary Permits

(1) The state may grant a preliminary permit allowing the developer to begin offering and selling timeshare interests while the registration is in process. To obtain a preliminary permit, the developer must do all of the following:

(a) Submit a formal written request to the Mississippi Real Estate Commission for a preliminary permit;

(b) Submit a substantially complete application for registration to the Commission, including any appropriate fees and exhibits;

(c) Provide evidence acceptable to the state agency that all funds received by the developer will be placed into an independent escrow account in accordance with the escrow requirements until a final registration has been granted;

(d) Give to each purchaser a copy of the proposed public offering statement that the developer has submitted to the Commission with the initial application; and

(e) Give to each purchaser the opportunity to cancel the purchase contract during the applicable recission period. The purchaser shall have an additional opportunity to cancel upon the issuance of an approved registration if the Commission determines that there is a material and adverse difference in the disclosures contained in the final public offering statement and those given to the purchaser in the proposed public offering statement.

Source: Miss. Code Ann. §§ 73-35-35

Rule 8.4 Public Offering Statement

A. Public Offering Statement Requirements

(1) A developer must prepare a public offering statement that shall fully and accurately disclose the facts concerning the timeshare developer and timeshare plan as required by these rules. The developer shall provide the public offering statement to each purchaser of a timeshare interest in any timeshare plan prior to execution of the purchase contract. The public offering statement shall be dated and shall require the purchaser to certify in writing the receipt thereof. Upon approval by the Commission, the developer may also deliver the public offering statement on CD ROM or other electronic media.

(2) With regard to timeshare interests offered in a single-site timeshare plan or in the specific interest of a multi-site timeshare plan, the public offering statement should fully and accurately disclose the following:

(a) The name of the developer and the principal address of the developer;

(b) Information regarding the developer's business and property management experience;

(c) A description of the type of timeshare interests being offered;

(d) The number of accommodations and timeshare interests, expressed in periods of seven-days use availability or other time increments applicable to the multi-site timeshare plan for each component site committed to the multi-site timeshare plan and available for use by purchasers, purchasers and a representation about the percentage of useable time authorized for sale, and if that percentage is 100 percent, then a statement describing how adequate periods of time for maintenance and repair will be provided. A general description of the existing and proposed accommodations and amenities of the timeshare plan, including their type and number personal property furnishing the accommodation, any use restrictions, and any required fees for use;

(e) A description of any accommodations and amenities that are committed to be built, including, without limitation:

(i) the developer's schedule of commencement and completion of all accommodations and amenities;

(ii) the estimated number of accommodations per site that may become subject to the timeshare plan;

(iii) a brief description of the duration, phases, and operation of the timeshare plan; and

(iv) the extent to which financial arrangements have been provided for completion of all promised improvements.

(f) If the timeshare plan requires the use of a reservation system, include a description of the reservation system which shall include the following:

(i) The entity responsible for operating the reservation system, its relationship to the developer, and the duration of any agreement for operation of the reservation system.

(ii) A summary of the rules and regulations governing access to and use of the reservation system.

(iii) The existence of and an explanation regarding any priority reservation features that affect a purchaser's ability to make

reservations for the use of a given accommodation on a first-come, first-serve basis.

(iv) An explanation of any demand-balancing standard utilized to assure equitable use of the accommodations among participants.

(g) The current annual budget, if available, or the projected annual budget for the timeshare plan. The budget must include, without limitations:

(i) a statement of the amount included in the budget as a reserve for repairs and replacement;

(ii) the projected common expense liability, if any, by category of expenditures for the timeshare plan; and

(iii) a statement of any services or expenses not reflected in the budget that the developer provides or pays.

(h) Information regarding all fees that the purchaser is required to pay in conjunction with the purchase and ownership including, but not limited to, closing cost and annual assessments;

(i) A description of any liens, defects or encumbrances on or affecting the title to the timeshare interests;

(j) A description of any financing offered by or available through the developer;

(k) A statement that within seven (7) calendar days after receipt of the public offering statement or after execution of the purchase contract, whichever is later, a purchaser may cancel any purchase contract for a timeshare interest from a developer together with a statement providing the name and street address to which the purchaser shall mail any notice of cancellation. If by agreement of the parties by and through the purchase contract, the purchase contract allows for cancellation of the purchase contract for a period of time exceeding seven (7) calendar days, then the public offering statement shall include a statement that the cancellation of the purchase contract is allowing for that period of time exceeding seven (7) calendar days;

(l) A description of any bankruptcies, pending civil or criminal suits, adjudications, or disciplinary actions of which the developer has knowledge, which would have a material effect on the developer's ability to perform its obligations.

(m) Any restrictions on alienation of any number or portion of any timeshare

interests;

(n) A statement describing liability and casualty insurance for the timeshare property;

(o) Any current or expected fees or charges to be paid by timeshare purchasers for the use of any amenities related to the timeshare plan;

(p) A statement disclosing any right of first refusal or other restraint on the transfer of all or any portion of a timeshare interest.

(q) A statement of disclosing that any deposit made in connection which the purchase of a timeshare interest shall be held by an escrow agent until expiration of any right to cancel the contract and that any deposit shall be returned to the purchaser if he or she elects to exercise his or her right of cancellation. Alternatively, if the Commission has accepted from the developer a surety bond, irrevocable letter of credit, or other financial assurance in lieu of placing deposits in an escrow account, account:

(i) a statement disclosing that the developer has provided a surety bond, irrevocable letter of credit, or other financial assurance in an amount equal to or in excess of the funds that would otherwise be placed in an escrow account and,

(ii) a description of the type of financial assurance that has been arranged,

(iii) a statement that if the purchaser elects to exercise his or her right of cancellation as provided in the contract, the developer shall return the deposit, and

(iv) a description of the person or entity to whom the purchaser shall apply for payment.

(r) If the timeshare plan provides purchasers with the opportunity to participate in an exchange program, a description of the name and address of the exchange company and the method by which a purchaser accesses the exchange program;

(s) Such other information reasonable required by the state agency and established by administrative rule necessary for the protection of purchasers of timeshare interests in timeshare plans; and

(t) Any other information that the developer, with the approval of the Commission, desires to include in the public offering statement.

(3) Public offering statements for specific timeshare interest and multi-site timeshare plans shall include the following disclosures in addition to those required in (b) above:

(a) A description of each component site, including the name and address of each Component site.

(b) The number of accommodations and timeshare interest, expressed in periods of seven-day use availability or other time increments applicable to each component site of the timeshare plan, committed to the multi-site timeshare plan and available for use by purchasers, and a representation about the percentage of useable time authorized for sale, and if that percentage is 100 percent, then a statement describing how adequate periods of time for maintenance and repair will be provided.

(c) Each type of accommodation in terms of the number of bedrooms, bathrooms, and sleeping capacity, and a statement of whether or not the accommodation contains a full kitchen. For purposes of this description, a "full kitchen" means a kitchen having a minimum of a dishwasher, range, sink, oven, and refrigerator.

(d) A description of amenities available for use by the purchaser at each component site.

(e) A description of the reservation system, which shall include the following:

(i) The entity responsible for operating the reservation systems, its relationship to the developer, and the duration of any agreement for operation of the reservation system.

(ii) A summary of the rules and regulations governing access to and use of the reservation system.

(iii) The existence of and an explanation regarding any priority reservations for the use of a given accommodation on a first-come, first-served basis.

(iv) An explanation of any demand-balancing standard utilized to assure equitable use of the accommodations among participants.

(v) A description of any method utilized to permit additions, substitutions, or deletions of accommodations.

(vi) A description of any criteria utilized in the use and operation of the reservation system (such as historical occupancy levels by season, location, demand, etc.)

(f) The name and principal address of the managing entity of the multi-site timeshare plan and description of the procedures, if any, for altering the powers and responsibilities of the managing entity and for removing or replacing it.

(g) A description of any right to make any addition, substitutions, or deletion of accommodations, amenities, or component sites, and a description of the basis upon which accommodations, amenities, or component sites may be added to, substituted in, or deleted from the multi-site timeshare plan.

(h) A description of the purchaser's liability for any fees associated with the multi-site timeshare plan.

(i) The location of each component site of the multi-site timeshare plan, the historical occupancy of each component site for the prior 12-month period, if the component site was part of the multi-site timeshare plan during the 12-month time period, as well as any periodic adjustment or amendment to the reservation system that may be needed in order to respond to actual purchaser use patterns and changes in purchaser use demand for the accommodations existing at that time within the multi-site timeshare plan.

(j) Any other information that the developer, with the approval of the Commission, desires to include in the timeshare disclosure statement.

(4) Public offering statements for nonspecific timeshare multi-site timeshare plans shall include the following:

(a) The name and address of the developer.

(b) A description of the type of interest and usage rights the purchaser will receive.

(c) A description of the duration and operation of the timeshare plan.

(d) A description of the type of insurance coverage provided for each component site.

(e) An explanation of who holds title to the accommodations of each component site.

(f) A description of each component site, including the name and address of each component site.

(g) The number of accommodations and timeshare interest, expressed in periods of seven-day use availability or other time increments applicable

to the multi-site timeshare plan for each component site committed to the multi-site timeshare plan and available for use by purchasers. purchasers and a representation about the percentage of useable time authorized for sale, and if that percentage is 100 percent, then a statement describing how adequate periods of time for maintenance and repair will be provided.

(h) Each type of accommodation in terms of the number of bedrooms, bathrooms, and sleeping capacity, and a statement of whether or not the accommodation contains a full kitchen. For purposes of this description, a "full kitchen" means a kitchen having a minimum of a dishwasher, range, sink, oven, and refrigerator.

(i) A description of amenities available for use by the purchaser at each component site.

(j) A description of any incomplete amenities at any of the component sites along with a statement as to any assurance for completion and the estimated date the amenities will be available.

(k) The location of each component site of the multi-site timeshare plan, the historical occupancy of each component site for the prior 12-month period, if the component site was part of the multi-site timeshare plan during such 12-month time period, as well as any periodic adjustment or amendments to the reservation system that may be needed in order to respond to actual purchaser use patterns and changes in purchaser use demand for the accommodations existing at that time within the multi-site timeshare plan.

(l) A description of any rights to make any additions, substitutions, or deletions of accommodations, amenities, or component sites, and a description of the basis upon which accommodations, amenities, or component sites may be added to, substituted in, or deleted form the multi-site timeshare plan.

(m) A description of the reservation system that shall included all of the following:

(i) The entity responsible for operating the reservation system, its relationship to the developer, and the duration of any agreement for operation of the reservation system.

(ii) A summary of the rules and regulations governing access to and use of the reservation system.

(iii) The existence of and an explanation regarding any priority reservation features that affect a purchaser's ability to make

reservations for the use of a given accommodation on a first-come, first-served basis.

(n) The name and principal address of the managing entity for the multi-site timeshare plan and a description of the procedures, if any, for altering the powers and responsibilities of the managing entity and for removing or replacing it, and a description of the relationship between a multi-site timeshare plan managing entity and the managing entity of the component sites of a multi-site timeshare plan, if different from the multi-site timeshare plan managing entity.

(o) The current annual budget as provided in Section L. of these rules, along with the projected assessments and a description of the method of calculation and apportioning the assessments among purchasers, all of which shall be attached as an exhibit to the public offering statement.

(p) Any current fees or charges to be paid by timeshare purchasers for the use of any amenities related to the timeshare plan and statement that the fees or charges are subject to change.

(q) Any initial or special fee due from the purchaser at closing, together with a description of the purpose and method of calculating the fee.

(r) A description of any financing offered by or available through the developer.

(s) A description of any bankruptcies, pending civil or criminal suits, adjudications, or disciplinary actions of which the developer has knowledge, which would have a material effect on the developer's ability to perform its obligations.

(t) A statement disclosing any right of first refusal or other restraint on the transfer of all or any portion of a timeshare interest.

(u) A statement disclosing that any deposit made in connection with the purchase of a timeshare interest shall be held by an escrow agent until expiration of any right to cancel the contract and that any deposit shall be returned to the purchaser if he or she elects to exercise his or her right of cancellation. Alternatively, if the Commission has accepted from the developer a surety bond, irrevocable letter of credit, or other financial assurance in lieu of placing deposits in an escrow account, account: (i) a statement disclosing that the developer has provided a surety bond, irrevocable letter of credit, or other financial assurance in an amount equal to or in excess of the funds that would otherwise be placed in an escrow account and, (ii) a description of the type of financial assurance that has been arranged, (iii) a statement that if the purchaser elects to exercise his

or her right of cancellation as provided in the contract, the developer shall return the deposit, and (iv) a description of the person or entity to whom the purchaser should apply for payment.

(v) If the timeshare plan provides purchasers with the opportunity to participate in an exchange program, a description of the name and address of the exchange company and the method by which a purchaser accesses the exchange program.

(w) Any other information that the developer, with the approval of the Commission, desires to include in the timeshare disclosure statement.

Source: Miss. Code Ann. §§ 73-35-35

Rule 8.5 Amendment to Registration Information and Public Offering Statement:

The developer shall amend or supplement its Public Offering Statement and registration information to reflect any material change in any information contained therein. All such amendments, supplements and changes shall be filed with and approved by the Commission. Each approved amendment to the Public Offering Statement, other than an amendment made only for the purpose of the addition of a phase or phases to the timeshare plan in the manner described in the timeshare instrument or any amendment that does not materially alter or modify the offering in a manner that is adverse to a purchaser, shall be delivered to a purchaser no later than 10 days prior to closing.

Source: Miss. Code Ann. §§ 73-35-35

Rule 8.6 Registration Review Time Frames

Every registration required to be filed with the Commission must be reviewed and issued a certificate of registration in accordance with the following schedule:

A. Comprehensive registration. Registration shall be effective only upon the issuance of a certificate of registration issued by the Commission, which, in the ordinary course of business, should occur no more than sixty (60) calendar days after actual receipt by the state agency of the properly completed application. The Commission must provide a list of deficiencies in the application, if any, and the time for issuance of the certificate of registration by the Commission will be sixty (60) calendar days from receipt by the Commission of the information listed in the deficiencies in the application.

B. Abbreviated registration. Registration shall be effective only upon the issuance of a certificate of registration issued by the Commission, which, in the ordinary course of business, should occur no more than thirty (30) calendar days after receipt by the Commission of the properly completed application. The Commission must provide a list of deficiencies in the application, if any, and the time for issuance of the certificate of registration by the Commission will occur no more than thirty (30) calendar days from

receipt by the Commission of the information listed in the deficiencies in the application.

C. Preliminary permit. A preliminary permit shall be issued within twenty (20) calendar days after receipt of a properly completed application, unless the Commission provides to the applicant a list of deficiencies in the application. A preliminary permit shall be issued within fifteen (15) calendar days after receipt by the Commission of the information listed in the deficiencies in the application.

D. The applicant nor a presumption of approval of the application. The Commission may, for cause, extend the approval periods.

Source: Miss. Code Ann. §§ 73-35-35

Rule 8.7 Purchase Contracts

A. Each developer shall furnish each purchaser with a fully completed and executed copy of a contract, which contract shall include the following information:

(1) The actual date the contract is executed by all parties;

(2) The names and addresses of the seller, the developer and the timeshare plan;

(3) The total financial obligation of the purchaser, including the purchase price and any additional charges to which the purchaser may be subject, such as any recurring assessment;

(4) The estimated date of availability of each accommodation, which is not completed;

(5) A description of the nature and duration of the timeshare interest being sold, including whether any interests in real property is being conveyed and the specific number of years or months constituting the term of contract;

(6) Immediately above the signature line of the purchaser(s), the following statement shall be printed in conspicuous type:

You may cancel this contract without any penalty or obligation within seven (7) calendar days from the date you sign this contract and seven (7) calendar days after you receive the public offering statement, whichever is later. If you decide to cancel this contract, you must notify the developer in writing of your intent to cancel. Your notice of cancellation shall be effective upon the date sent and shall be sent to (name of developer) at (address of developer). If you cancel the contract during a the seven-day cancellation period, the developer shall refund to you all payments made under the contract within thirty (30) days after receipt of your cancellation notice.

No purchaser should rely upon representations other than those included in this contract.

(7) These statements in Paragraph f. may not be waived and failure to include them in a timeshare contract shall render the contract void.

(8) Seller shall refund all payments made by the purchaser under the contract and return all negotiable instruments, other than checks, executed by the purchaser in connection with the contract within 30 days from the receipt of the notice of cancellation transmitted to the developer from the purchaser or if the purchaser has received benefits under the contract, refund all payments made less actual cost of benefits actually received by the purchaser before the date of cancellation, with an accounting of the actual costs of the benefits deducted from payments refunded.

Source: Miss. Code Ann. §§ 73-35-35

Rule 8.8 Exchange Program

A. If a purchaser is offered the opportunity to subscribe to an exchange program, the purchaser should receive written information concerning the exchange program prior to or concurrently with the execution of the contract with the exchange company. Such information should include, without limitation, the following information.

(1) The name and address of the exchange company;

(2) The names of all officers, directors and shareholders of greater that 10% interests of the exchange company;

(3) A description of the purchaser's contractual relationship with the exchange program and the procedure by which changes may be made;

(4) A description of the procedure to qualify for and effectuate changes;

(5) A description of the limitations, restrictions or priority employed in the operation of the exchange program;

(6) The fees or range of fees for participation in the exchange program and the circumstances under which the fees may be changed;

(7) The name and address of each timeshare plan participating in the exchange program;

(8) The number of timeshare interests reported in seven (7) day usage periods in each timeshare plan participating in the exchange program; and

(9) The number of purchasers for each timeshare plan participating in the exchange program.

B The exchange program should report on an annual basis following an audit by an independent certified public accountant the following:

(1) The number of purchasers enrolled in the exchange program;

(2) The number of accommodations that have current affiliation agreements with the exchange program;

(3) The percentage of confirmed reservations;

(4) The number of timeshare periods for which the exchange program has an outstanding obligation to provide an exchange to a purchaser who relinquished a timeshare period during the year; and

(5) The number of exchanges confirmed by the exchange program during the year.

C. No developer shall have any liability with respect to any violation of these rules arising out of the publication by the developer of information provided to it by an exchange company pursuant to this section. No exchange company shall have any liability with respect to any violation of these rules arising out of the use by a developer of information relating to an exchange program other than that provided to the developer by the exchange company.

D. An exchange company may elect to deny exchange privileges to any purchaser whose use of the accommodations of the purchaser's timeshare plan is denied, and no exchange program or exchange company shall be liable to any of its members or any third parties on account of any such denial of exchange privileges.

Source: Miss. Code Ann. §§ 73-35-35

Rule 8.9 Escrows and Alternatives Assurances

In order to protect the purchaser's right to refund during the rescission period and during any period in which construction of the timeshare property is not complete and available for occupancy by purchasers, the developer shall provide financial assurances as required by this section.

A. A developer of a timeshare plan shall deposit into an escrow account in an acceptable escrow depository all funds that are received in Mississippi during the purchaser's rescission period. An acceptable escrow depository includes banks, trust companies, saving and loans associations, real estate broker trust accounts at such an institution, title insurers, and underwritten title companies. The handling of these funds shall be in accordance with an executed escrow agreement between an escrow agreement between an escrow agent and the developer. Funds will be handled to assure the following:

(1) Funds may be disbursed to the developer by the escrow agent from the escrow account or from the broker trust account only after expiration of the purchaser's rescission period and in accordance with the purchase contract, subject to paragraph 2.

(2) If a prospective purchaser properly cancels the purchase contract following expiration of the cancellation period pursuant to its terms, the funds shall be paid to the prospective purchaser or paid to the developer if the prospective purchaser's funds have been previously refunded by the developer.

B. If a developer contracts to sell a timeshare interest and the construction of the accommodation in which the timeshare interest being conveyed is located has not been completed, the developer, upon expiration of the rescission period, shall continue to maintain in an escrow account all funds received by or on behalf of the developer from the prospective purchaser under his or her purchase contract. The Commission shall determine the types of documentation which shall be required for evidence of completion, including, but not limited to, a certificate of occupancy, a certificate of substantial completion, or an inspection by the State Fire Marshal or designee or an equivalent public safety inspection by the appropriate agency in the applicable jurisdiction. Unless the developer submits an alternative financial assurance in accordance with paragraph 3., funds shall not be released from escrow until a certificate of occupancy, or its equivalent, has been obtained and the rescission period has passed, and the timeshare interest can be transferred free and clear of blanket encumbrances, including mechanics' liens. Funds to be released from escrow shall be released as follows:

(1) If a prospective purchaser properly cancels the purchase contract pursuant to its terms, the funds shall be paid to the prospective purchaser or paid to the developer if the developer has previously refunded the prospective purchaser's funds. (See "1 boo above)

(2) If a prospective purchaser defaults in the performance of the prospective

purchaser's obligations under the purchase contract, the funds shall be paid to the developer.

(3) If the funds of a prospective purchaser have not been previously disbursed in accordance with the provisions of this paragraph 2., they may be disbursed to the developer by the escrow agent upon the issuance of acceptable evidence of completion of construction and closing.

C In lieu of the provisions in paragraphs 1 and 2, the Commission may accept from the developer a surety bond, escrow bond, irrevocable letter of credit, or other financial assurance or arrangement acceptable to the Commission. Any acceptable financial assurances shall be in an amount equal to or in excess of the lesser of

(1) the funds that would otherwise be place in escrow, or

(2) in an amount equal to the cost to complete the incomplete property in which the timeshare interest is located. However, in no event shall the amount be less that the amount of funds that would otherwise be placed in escrow pursuant to subparagraph a. of paragraph 1.

D. The developer shall provide escrow account or broker trust account information to the Commission and shall execute in writing an authorization consenting to an audit or examination of the account by the Commission. The developer shall make documents related to the escrow or trust account or escrow obligation available to the Commission upon request. The escrow agent or broker shall maintain any disputed funds in the escrow account until either of the following occurs:

(1) Receipt of written direction agreed to by signature of all parties.

(2) Deposit of the funds with a court of competent jurisdiction in which a civil action regarding the funds has been filed

E. Excluding any encumbrance placed against the purchaser’s timeshare interest securing the purchaser's payment of purchase money financing for the purchase, the developer shall not be entitled to the release of any funds escrowed under this section J. with respect to each timeshare interest and any other property or rights to property appurtenant to the timeshare interest, including any amenities represented to the purchaser as being part of the timeshare plan, until the developer has provided satisfactory evidence to the Commission of one of the following:

(1) The timeshare Interest together with any other property or rights to property appurtenant to the timeshare interest, including any amenities represented to the purchaser as being part of the timeshare plan, are free and clear of any of the claims of the developer, any owner of the underlying fee, a mortgagee, judgment creditor, or other lien holder, or any other person having an interest in or lien or encumbrance against the timeshare interest or appurtenant property or property

rights.

(2) The developer, any owner of the underlying fee, a mortgagee, judgment creditor, or other lien holder, or any other person having an interest in or lien or encumbrance against the timeshare interest or appurtenant property or property rights, including any amenities represented to the purchaser as being part of the timeshare plan, has recorded a subordination and notice to creditors document in the appropriate public records of the jurisdiction in which the timeshare interest is located. The subordination document shall expressly and effectively provide that the interest holder's right, lien or encumbrance shall not adversely affect, and shall be subordinate to, the rights of the owners of the timeshare interests in the timeshare plan regardless of the date of purchase.

(3) The developer, any owner of the underlying fee, a mortgagee, judgment creditor, or other lien holder, or any other person having an interest in or lien or encumbrance against the timeshare interest or appurtenant property or property rights, including any amenities represented to the purchaser as being part of the timeshare plan, has transferred the subject accommodations, amenities, or all use rights in the amenities to a nonprofit organization or owners' association to be held for the use and benefit of the owners of the timeshare plan, which organization or owners association shall act as a fiduciary to the purchasers, and the developer has transferred control of the entity to the owners or does not exercise its voting rights in the entity with respect to the subject accommodations or amenities: Prior to the transfer, any lien or other encumbrance against the accommodation or facility shall be made subject to a subordination and notice to creditors, instrument pursuant to subparagraph b. or be free and clear of all liens and encumbrances.

(4) Alternative arrangements have been made which are adequate to protect the rights of the purchasers of the timeshare interests and approved by the Commission.

F. Nothing in this section shall prevent a developer from accessing any escrow funds if the developer has complied with paragraph 3 of this section.

G. The developer shall notify the Commission of the extent to which an accommodation may become subject to a tax or other lien arising out of claims against other purchasers in the same timeshare plan.

H. Developers, sellers, escrow agents, brokers and their employees and agents have a fiduciary duty to purchasers with respect to funds required to be deposited under these rules. Any Mississippi broker or salesperson who fails to comply with rules concerning the establishment of an escrow or broker trust account, deposits of funds, and property into escrow or withdrawal there from, shall be in violation of the Mississippi Real Estate Brokers Act of 1954, as amended, and the Rules and Regulations of the Commission. The failure to establish an escrow or trust account or to place funds therein as required under these rules is *prima facie* evidence of an intentional and purposeful violation.

Source: Miss. Code Ann. §§ 73-35-35

Rule 8.10 Insurance

A. For single site timeshare plans and component sites of multi-site timeshare plans located in this state, the timeshare instrument shall require that the following insurance be at all times maintained in force to protect timeshare interest owners in the timeshare plan:

(1) Insurance against property damage as a result of fire and other hazards commonly insured against, covering all real and personal property comprising the timeshare plan in an amount not less than 80 percent of the full replacement value of the timeshare property.

(2) Liability insurance against death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance for the accommodations of the timeshare plan. The amounts of the insurance shall be determined by the association, but shall not be less than five hundred thousand dollars ($500,000) to One Million Dollars ($1,000,000) for personal injury and One Hundred Thousand Dollars ($100,000) for property damage.

B. In a timeshare use offering, the trustee, if one exists, shall be a named coinsured, and if for any reason, title to the accommodation is not held in trust, the association shall be named as a coinsured as the agent for each of the timeshare interest owners.

C. In a timeshare estate offering, the association shall be named as a coinsured if it has title to the property or as a coinsured as agent for each of the timeshare interests owners if title is held by the owners as tenants in common.

Source: Miss. Code Ann. §§ 73-35-35

Rule 8.11 Advertising and Marketing:

A. No advertising shall:

(1) Misrepresent a fact or create a false or misleading impression regarding the timeshare plan.

(2) Make a prediction of increases in the price or value of timeshare periods.

(3) Contain any contradictory statements.

(4) Describe any improvements to the timeshare plan that will not be built or that are described as completed when not completed.

B. No promotional device, sweepstakes, lodging certificate, gift award, premium, discount, drawing, prize or display in connection with an offer to sell a timeshare interest may be

utilized without the applicable disclosure as follows:

(1) That the promotional device is being used for the purposes of soliciting sales of timeshare periods;

(2) Of the name and address of each timeshare plan or business entity participating in the program;

(3) Of the date and year when all prizes are to be awarded;

(4) Of the method by which all prizes are to be awarded;

(5) If applicable, a statement that it is a national program with multiple sponsors and the gifts offered are not limited solely to customers of said development, but apply also to other developments.

C. The following are not considered to be advertising materials:

(1) Any stockholder communication, financial report, prospectus or other material required to be delivered to owners, prospective purchasers or other persons by an agency of any state or the federal government;

(2) Any communication addressed to and relating to the account of any person who has previously executed a contract for the purchase of a timeshare interest in a timeshare plan to which the communication relates;

(3) Any oral or written statement disseminated to the broadcast, print or other news media, other than paid advertising, regarding plans for the acquisition or development of timeshare property. However, any redistribution of such oral or written statements to a prospective purchaser in any manner would constitute an advertisement;

(4) Any publication or material relating to the promotion of accommodations for transient rental, so long as a mandatory tour of a timeshare plan or attendance at a mandatory sales presentation is not a term or condition of the availability of such accommodations, so long as the failure of the transient renter to take a tour of a timeshare plan or attend a sales presentation does not result in the transient renter receiving less than what was promised in such materials;

(5) Any audio, written or visual publication or material relating to an exchange company or exchange program providing to an existing member of that exchange company or exchange program.

Source: Miss. Code Ann. §§ 73-35-35

Rule 8.12 Management

A. Before the first sale of a timeshare period, the developer shall create or provide for a managing entity, which may be the developer, a separate management firm, or an owner's association, or some combination thereof.

B. The management entity shall act in the capacity of fiduciary to the purchasers of the timeshare plans.

C. The duties of the management entity shall include, but are not limited to:

(1) Management and maintenance of all accommodations constituting the timeshare plan.

(2) Preparing an itemized annual operating and reserve budget.

(3) The assessment and collection of funds for common expenses.

(4) The assessment and collection of property taxes and casualty insurance and liability insurance against the owners, for which managing entity shall he primarily liable.

(5) Maintenance of all books and records concerning the timeshare plan, and making all of them reasonably available for inspection by any purchaser, or the authorized agent of such purchaser.

(6) Arranging for an annual independent audit to be conducted of all the books and financial records of the timeshare plan by a certified public accountant. A copy of the audit shall be forwarded to the officers of the owner's association; or, if no association exists, the owner of each timeshare period shall be notified in writing that such audit is available upon request.

(7) Scheduling occupancy of the timeshare units so that all purchasers will be provided the use and possession of the accommodations for which they have contracted.

(8) Notifying purchasers of common assessments and the identity of the managing entity.

(9) Performing any other functions and duties that are necessary and proper to maintain the accommodations and operate the owners association as provided in the contract or the timeshare instruments.

(10) Maintaining appropriate insurance as required by Rule 8.9 of these rules.

D. The managing entity shall not be required to provide a reserve budget for any timeshare plan or accommodation for which a timeshare instrument has been approved prior to adoption of these rules.

Source: Miss. Code Ann. §§ 73-35-35

Rule 8.13 Liens

A. The management entity has a lien on a timeshare period from the date an assessment becomes due.

B. The management entity may bring an action in its name to foreclose a lien for assessments in the manner a mortgage of real property is foreclosed, and may bring an action to recover a money judgment for the unpaid assessments, or, when no interest in real property is conveyed, an action under the Uniform Commercial Code.

C. The lien is effective from the date of recording in the public records of the county or counties in which the accommodations are located, or as otherwise provided by the laws of the jurisdiction in which the accommodations are located.

D. A judgment in any action or suit brought under this section may include costs and reasonable attorney's fees for the prevailing party.

E. Labor or materials furnished to a unit shall not be the basis for the filing of a lien against the timeshare unit of any timeshare interest owner not expressly consenting to or requesting the labor or materials.

Source: Miss. Code Ann. §§ 73-35-35

Rule 8.14 Owner Referrals

A. Referrals of prospective customers to the developer by any existing timeshare owner shall be permitted, without the owner holding a real estate license and compensation may be paid to the referring owner, only under the following circumstances:

(1) The existing timeshare owner refers no more than twenty (20) prospective customers in any twelve (12) month period; and

(2) The existing timeshare owner limits his or her activities to referring customers to the developer or the developer's employees or agents and does not show, discuss terms or conditions of purchase or otherwise participate in any negotiations with the purchase of a timeshare interest.

Source: Miss. Code Ann. §§ 73-35-35

Part 1601 Chapter 9: Errors and Omissions Insurance Coverage

Rule 9.1 Administration

A. Invitations to bid on the Errors and Omissions coverage shall be by advertisement published in the appropriate newspaper having state-wide coverage.

B. Selection and approval of the Errors and Omissions Insurance carrier shall be by Commissioners utilizing consultants or committees as deemed appropriate by the Commission.

C. Upon approval of the carrier, invoices shall be sent via First Class Mail to all licensees; including companies and corporations; along with the necessary information describing the various available coverages, the period of coverage and the minimum requirements for independent coverage if desired by a licensee.

D. Coverage shall be a twelve month period beginning October 1, 1994, and continuing thereafter on twelve month basis.

E. Premiums shall be collected by the carrier or the Commission, at the Commission's discretion.

F. The Commission may maintain computer or written records as required for accurate documentation and administration of this program.

Source: Miss. Code Ann. §§ 73-35-35

Rule 9.2 Licensee Status

A. Active licensees not submitting the required premium or providing the required proof of acceptable independent coverage within 30 days after the due date of the premium shall be placed automatically on inactive status at the end of the 30 day period.

B. Inactive licensees will not be required to pay the premium until changing to active status and the premium will be assessed on a pro rata basis. However, inactive licensees will be invoiced at the beginning of the policy period. They may pay the full premium at that time if they desire.

C. New licensees will be given notice when their license is issued to provide proof of coverage within 30 days of the issuance of license or pay the premium specified on a pro rata basis. Failure to do so will result in their license being changed to inactive status.

Source: Miss. Code Ann. §§ 73-35-35

Rule 9.3 Independent Coverage

A. Licensees having independent coverage shall submit proof of coverage by the beginning of the policy period as set forth above. Any deficiency in supplying proof of coverage must be corrected within no more than 30 days after the beginning of the policy period. Proof of coverage shall be by a "Certificate of

Insurance" provided by the independent insurance carrier.

B. Minimum requirements of independent coverage shall be:

(1) Coverage must be for all activities for which a real estate license is required under this Chapter.

(2) A per claim limit is not less than $100,000.00.

(3) The deductible is not more than $2,500.00 per licensee, per claim, for any damages and the deductible is not more than $1,000.00 per licensee, per claim, for defense costs.

(4) The independent insurance carrier shall agree to a non-cancelable policy or provide a letter of commitment to notify the Commission 30 days prior to intention to cancel.

Source: Miss. Code Ann. §§ 73-35-35