

Good Character Guide for Licensing Applicants

RECA has good character requirements for public protection, to promote the integrity of the industry, and to protect the trust consumers place in the professionals RECA regulates. When you apply for licensing, RECA will review whether or not you are of good character under [section 34 of the Real Estate Act Rules](#) (the Rules). This is called a Section 34 Review.

This Guide will help you understand what good character is and what the Section 34 Review process entails. This Guide will also explain:

- what is good character
- what kind of information you must provide for the Executive Director to complete a Section 34 Review
- how long the Section 34 Review will take
- factors the Executive Director will consider in determining if you are of good character and deciding whether or not to issue you a licence
- the possible outcomes of your Section 34 Review

What is good character?

The *Real Estate Act* and Rules do not define good character. Case law defines good character as moral strength and includes integrity, candour, empathy, and honesty. RECA evaluates the following when assessing an individual's good character:

- respect for the rule of law
- honesty
- governability
- financial responsibility
- professionalism

If you want to know more about good character, review RECA's [Good Character Policy](#).

What is the Section 34 Review process?

The Section 34 Review is a review of an issue(s) or event(s) that may call your good character into question. The review results in a decision as to whether or not it is in the public interest and in the best interest of the profession to issue you a licence or registration certificate.

Clients of industry professionals require industry professionals to:

- be honest and have integrity;
- be competent;
- disclose of conflicts of interest;
- provide services to clients with their interests in mind, devoid of the real estate professional's financial conflicts or financial pressures;
- adhere to the standards set by the *Real Estate Act* and the standards set by RECA's Council through the Rules, pre-licensing education and other communications such as Guides and Information Bulletins; and
- adhere to all laws, including laws related to trades in real estate and deals in mortgages and the common law.

Section 34 of the Rules states:

The executive director may refuse to issue a licence or registration certificate to a person, or may recommend that a hearing panel refuse to issue a licence or registration certificate, where the executive director is of the opinion that:

- (a) the person has provided false or misleading information to the executive director in the course of applying for a licence or registration certificate or the renewal of either;*
- (b) the person is someone against whom a member of the public has obtained a judgment arising out of that person's action as an industry member and no reasonable arrangements have been made to satisfy it;*
- (d) it would not be in the public interest or it would harm the integrity of the industry or bring the industry into disrepute to issue a licence or a registration certificate to that person.*
- (e) the person is not of good character and reputation or is otherwise unfit to be licenced;*
- (f) the person has not participated in, or completed, the required education course(s) or examination(s) honestly, or, in compliance with the applicable guidelines or requirements;*
- (g) the person has provided false or misleading information while participating in or fulfilling educational or examination requirements; or,*
- (h) the person is a brokerage and any official, director, officer, shareholder or partner, as the case may be, associated with the brokerage:*
 - (i) is not of good character and reputation; or,*
 - (ii) has made an application to withdraw from the industry pursuant to the Act and the application was approved.*

When does the Section 34 Review occur?

The Section 34 Review occurs when:

- an applicant submits a *New Licence & Registration Application*, a *Registration-Reinstatement Application*, a *Registration – Transfer Application* or a *Registration-Renewal Application* that contains a positive, or 'yes', response to one of the suitability questions, or

- the Executive Director receives information that calls a licensing applicant's good character into question.

What information will I need to provide?

Once you and your broker complete your licensing application and pay your licensing fees through myRECA, RECA staff will send you an email listing the documents you must provide for the Executive Director to complete the review. The required documents may include:

- a sworn statement, sworn by way of affidavit by a commissioner of oaths or notary public about the circumstances that led to the events that relate to the issue(s) or event(s)
- police reports
- court documents
- transcripts
- criminal record checks
- bankruptcy documents
- discipline documents
- discipline outcomes
- statements of claim
- statements of defense
- judgments
- lifetime ban/suspension/ cancellation/revocation documents
- sworn statements
- reference letters
- information related to rehabilitation

The Executive Director may require you to provide additional information at any time throughout the review process.

How long does a Section 34 Review take?

Every review is unique and the length of time it takes to complete a review varies. You can avoid unnecessary delays by providing the necessary documentation and information to the Executive Director in a timely manner. The Executive Director will tell you if factors exist that could significantly delay the review process.

What factors does the Executive Director consider when evaluating good character?

First, the Executive Director will consider how the circumstances are indicative of your respect for the rule of law, honesty, governability, financial responsibility and professionalism. Then, the Executive Director will consider the circumstances of the events, your actions since the events, and your insight into the events, including:

- how your past conduct is indicative of your current character
- whether you have taken responsibility for the misconduct

- what you have done to rehabilitate yourself and improve your character
- current character references who are familiar with the events
- outcomes in similar cases

You play a key role in the process

You play a significant role in the decision making process. The Executive Director places significant weight on your level of cooperation, candor, and honesty during the review process.

The Executive Director wants to provide the best possible decision. As this review will determine your ability to become licensed, this will require careful and thoughtful consideration. Good decisions require thoughtful consideration of different factors present in each case.

What are the possible outcomes of a Section 34 Review?

When the Section 34 Review is complete, you will receive notification of the Executive Director's decision, and the reasons for this decision.

The Executive Director's decision may be to:

- issue you a licence or registration certificate – occurs when the evidence shows you are of good character and suitable for licensing
- refuse to issue you a licence or registration certificate – occurs when the evidence shows you are not of good character and not suitable for licensing
- issue you a licence or registration certificate subject to terms or conditions. A common term is a requirement for broker supervision; a common condition is for you to provide information or updates to the Executive Director within a specified time

If the Executive Director refuses to issue you a licence or registration certificate, or issues you a licence or registration certificate subject to terms or conditions, you can appeal the decision under [Section 39 of the Rules](#).

If the Executive Director issues you a licence or registration certificate, and the Executive Director finds you provided false or misleading information during the review process, this could result in a suspension or cancellation of your licence.

If you have any questions about the Section 34 Review process, email RECA's Licensing Compliance Officer at info@reca.ca.