



**STATE OF WASHINGTON**  
**DEPARTMENT OF LICENSING**  
*PO Box 9021 Olympia, Washington 98507--9021*

**REAL ESTATE COMMISSION MEETING MINUTES**

**DATE:** September 13, 2016

**PLACE:** Red Lion at the Park  
303 W North River Drive  
Spokane, WA 99201

**TIME:** 9:00 AM until conclusion of business

**PERSON:** Jerry McDonald, Administrator  
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**ORDER OF AGENDA: OPEN SESSION**

**CALL TO ORDER:** Kathleen Drew, Assistant Director/Chair 9:00 a.m.

- A. Attendance:  
Commissioners present: Dave Azose, Cate Move, George Pilant, Jess Salazar, Jeff Thomson, and Kyoko Wright.  
Staff Present: Jerry McDonald, Terry Rodgers, Colin Pippin-Temco, and Bill Dutra.
- B. Approval of Agenda:  
The agenda was approved as presented.
- C. Approval of Minutes:  
The minutes were approved as presented.
- D. Review of WCRER:  
Jerry McDonald presented Peter Orser's report from the Washington Center for Real Estate Research (WCRER). The Condominium Report project has been completed. It was moved and seconded by unanimous vote to accept the reports as presented. Both The report can be found on the University of Washington - Runstad Center for Real Estate Research website, <http://realestate.washington.edu/research/wcrer/reports/>. It was also announced after a lengthy search, a new director for WCRER has been selected, and the successful candidate is Simon Stevenson. Mr. Stevenson, from the United Kingdom, has written a report on the United Kingdom's exit from the European market which is posted at the end of the report. Kyoko Wright mentioned that the Puget Sound Business Journal wrote an article summarizing this report which can be found on the WCRER website.

E. Exam Vendor Update:

Danny Breidenbach reported that AMP even though his company was purchased by PSI they will continue to use the AMP content in their testing material. Development is underway to create a Washington State Simulated Exam similar to the National Exam. Mr. Breidenbach explained how the simulation exam differs from the current multiple choice Washington State Exam. Jerry McDonald reported it is estimated that 800 to 900 applicants take the broker and managing broker exam monthly.

F. City of Seattle Ordinance:

Kyoko Wright and Dave Azose reported on the recent ordinance passed by the City of Seattle requiring the owner of a multi-family building of 5 or more units to offer the property for sale to the city before it can be listed with a real estate agent. Dave Azose reported that the city has allocated a substantial amount of money be used for this purpose as well as federal funding. They are also working with several housing organizations. Bob Mitchell reported that the ordinance has been in effect since last fall, however compliance has been slow. He also stated that years ago in a similar situation involving manufactured homes the State Supreme Court ruled that local and state governments could not impose this kind of requirement.

G. Education Update:

The program contracted with Katherine Fromme to prepare a curriculum review. Education Manager Colin Pippin-Timco, reported he has been working on a survey to make the content of the curricula relevant to the exam questions. The question was raised as to if this was for brokers or managing brokers and right now it is focusing on the brokers test. Cate Moye stated she would like to see something similar for the managing broker test. George Pilant explained to the audience the purpose of this process and what they intend to accomplish. "The goal is to elevate the professionalism and competency of agents statewide".

H. Changing Business Practices Update:

Commissioner Cate Moye, Chair of the CBP Committee presented some background on her committee. The committee's purpose is to address issues which impact the industry. The committee's main objective at this time is creating guidelines for advertising how licensees are being represented. There are no regulations on teams so the committee is focusing on guidelines that include...

I. Commission Meeting Schedule:

The 2017 schedule was approved as follows.

- March 16, 2017, Sea-Tac, Washington
- June 15, 2017, Bellingham, Washington
- September 28, 2017, Walla Walla, Washington
- December 5, 2017, Sea-Tac, Washington

J. Budget Report:

Kathleen Drew reported on the end of first year of a 2-year budget. The source of our revenue is license fees. Cate Moye clarified what the word "sweep" means in our financial/budget terms. She mentioned the 3.5 million dollar the legislature swept from our accounts to use for the general fund. Because .5 million was swept from the research

account we will have limited funding for University of Washington – Runstad Center for Real Estate Studies (WCRER) research in future biennium's. George Pilant explained many programs had funds swept and asked the attendees to talk to their legislators on both sides of the aisle as to how important it is to not sweep our research fund. Kathleen Drew stated we are restricted to what we can do with our funds, but the legislature is not. Dave Azose suggested we notify WCRER we may not have the funding we have had in the past so they can plan accordingly.

**K. Open Forum/Other Business:**

- a. Kathleen Drew reported on the new online renewal which will be going live soon. The advantages to this system include immediate licensing and license transfers. Kathleen Drew is researching financing options to cover costs of upgrading the system.
- b. Jess Salazar put forth a scenario, regarding people that do not have a real estate license and are buying houses with 30 days to close. Then turning around to give them time to sell it to a flipper within the 30 days. Commissioner Salazar questioned if this action is legal. There was some discussion on the issued but staff answered the question by stating each case is unique and we would need to know all the facts prior to making a determination.
- c. George Pilant complimented Cate Moye for her work with the commission and the industry.
- d. George Pilant made a motion for Jess Salazar to replace him as Chair of the Education Sub-Committee. All commissioners approved.
- e. Jeff Thompson asked for input on the subject of a requirement to carry errors and omissions insurance. He also stated newer agents are coming to him with purchase and sale agreements on the wrong forms and missing documents. Some brokers have stated they never see their brokers. He is asking if it is possible to make it mandatory. Kathleen Drew hopes that at some point in the future a new internal operating system will be able to monitor which offices have new agents to provide education assistance.
- f. There was a lengthy discussion regarding appraisers and appraisal companies. Bob Mitchell agreed there is a serious decline in the appraiser population. Recently, "in an isolated incident" there was a report of an appraisal being advertised "if you want an appraisal in less than 90 days the cost is \$3500."
- g. There was a discussion regarding the lack of communication between team leaders and managing brokers and lack of competency from lack of knowledge.
- h. There was a question regarding providers ability to collect payment online was addressed by Terry Rodgers. It is years in the future.

**L. Review of Action Items**

- a. Find out which states require license numbers on advertising – Assigned to Jerry McDonald.
- b. Discuss future funding challenges with WCRER – Assigned to Jerry McDonald.
- c. Draft advertising brochure. Assigned to Jerry McDonald for drafting.
- d. Audit presentation for December meeting. Jerry McDonald and Terry Rodgers will have staff at the meeting to give the presentation.

**M. Adjourn – Approximately noon**