



STATE OF WASHINGTON
DEPARTMENT OF LICENSING
PO Box 9020 • Olympia, Washington 98507-9020
REAL ESTATE COMMISSION
REGULAR SESSION MEETING MINUTES

DATE: March 18, 2009

PLACE: Department of Labor & Industries
7273 Linderson Way SW
Tumwater, WA 98501

CONTACT

PERSON: Jerry McDonald, Assistant Administrator
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MEMBERS PRESENT:

Liz Luce, Director
Paul Chiles, Commissioner
Suki Bazaan, Commissioner
Cate Moye, Commissioner
Dan Murphy, Commissioner
Jeff Thompson, Commissioner
George Pilant, Commissioner

STAFF PRESENT:

Lee Malott, Administrator
Jerry McDonald, Assistant Administrator
Gale Mitchell, Administrative Assistant
Karen Jarvis, Regulatory & Enforcement Manager
Rhonda Myers, Program Manager Home Inspectors
Dolly Casitas, Education Unit Manager
Art Abrahamson, Audit Manager
Cheryl Strobert, Hearings Examiner

CALL TO ORDER: Liz Luce, Chair 1:00 PM

A. Approval of Agenda

Motion to approve agenda
Motion seconded and carried

B. Approval of December 9, 2008 Meeting Minutes

Motion to approve minutes
Motion seconded and carried

C. Planning Session Recap

- Paul Chiles recapped the planning session
- Introduction of Jeff Thompson the new Real Estate Commissioner
- Discussed Insurance Commissioner Rules and referred them to Changing Business Practices Sub-Committee
- The 18.85 Rule changes have been reviewed by various committees. There is still work to be done and there needs to be some clarity and added definitions
- The Education sub-committee has completed the majority of their tasks in course approval and recommendations.
- Glen Crellin WSU is continuing their research and the commission supports the request for contract renewal
- Commissioner Paul Chiles was nominated for Vice Chair
- Reconfiguration of sub -committees – no changes made Commissioner Thompson is on the education sub committee

D. Staff Reports

Lee Malott introduced staff reports

Education

- Dolly Casitas referred commission to packets
- 2008 there was 1700 courses reviewed and that number is down from 2007
- Instructors have remained the same
- Renewals have decreased
- Increased renewal audits
- Annual report of school performance
- Discussion surrounded statistics

Licensing

- Karen Jarvis reported the number of active Licensees decreased in 2008
- Examinations have decreased significantly
- Licensees 45,000 active 15,000 inactive
- Discussion surrounded licensees

Investigation

- Complaints decreased
- Increased complaints on unlicensed agents doing short sales on financial and real estate end. The financial side is referred to Department of Financial Institutions

Audits

- Art Abrahamson reported 1180 audits conducted last year
- Advertising issues
- Signage
- Trust accounts
- Record keeping non-compliant

Legal

- Cheryl Strobert briefed the commission on the legal unit responsibilities.
- The unit reviews investigation files following investigations and violations of 18.85 or 18.235
- Prepare statements of charges

- Cease and Desist Orders
- Summary Suspensions
- 2008 involved earnest monies collection of or it exists or non existent
- Unlicensed activity
- Increase of fraudulent transactions i.e. short sales
- Closed 40 cases 2008
- Discussion surrounded increase in fraud and short sales

E. Subcommittee Reports and Updates

□ Education

- It was proposed that the draft 18.85 RCW rules rewrite for the WAC 301-124H be formatted (codified) in draft form. The draft is still subject to amendments and is likely to change in section 124 H-025 which addresses advanced courses.
- A main focus of the sub-committee is developing categories for Advanced Practices courses that allows and provides guidelines for courses that address specialty areas of real estate specific to commercial sales, leasing, property management, and different types of residential and commercial specialties.
- The generic course touches upon these areas but are not specific. There are courses available from national and local providers that are more specialized. The sub-committee would like to ensure there is a mechanism in the WAC that will allow those courses to be submitted reviewed and provided for licensees.
- **Motion** to move forward with the formatting that is with the Code Revisers acknowledging that there is still work to be done on the section specified above by Commissioner Pilant
Motion seconded and carried.

The sub-committee would like approval from the full commission for the following course curricula's

- Business Management curricula 30 course hours
- Real Estate Fundamentals curricula 60 course hours
- Real Estate Practices curricula 30 hours
- Advanced Real Estate Curricula 30 hours
- These courses are ready for publication

Motion to approve and accept the above mentioned course curricula's
Motion seconded and carried.

The following are not ready for approval:

- Real estate law
- Advanced real estate law
- Brokerage Management
- Transition Course
- The sub-committee's continuing work will include a time table for implementation of the new course requirements. For example when can new courses be offered? When will they be official? When can a licensee begin taking the new courses? How will the credit for the courses be applied?

□ Changing Business Practices

- The sub-committee is working through sections of the license law
- The changes made were standard and mainly grammatical for example the wording changed from "sales person to broker"
- There are two sections that still need work.

- The Supervision and Delegation of Responsibility is almost complete. Some concerns surround the topic “broker of less than two years” and the level of supervision the broker should provide. What are the responsibilities of the supervising broker?
- The sub-committee has the Advertising section to work through and expects that this particular area will be a challenging and difficult task.
- The committee will research how other jurisdictions have handled the advertising section i.e. regulations and enforcement.

F. Newsletter

- Jerry McDonald referred the commission to a copy of the latest newsletter
- It was posted to the DOL website
- The newsletter was not processed through the mail service due to budget constraints.
- It was also placed on list serve.
- The contract between DOL and WSU Washington Center for Washington State Research has been extended.
- There will be slight changes with the next issue of newsletter, there will be a draft sent to all of the commissioners for review, and content ideas for Glenn.

G. Home Inspector Rule Implementation

- Jerry McDonald reported that the rule the commission voted on has become final and part of Administrative Codes.
- It is currently available on list serve.
- Auditors have been notified so that they can remain compliant with the rules.

H. Home Inspector Standards of Practice (Info Only)

- Jerry McDonald reported that this sets forth what the consumer receives during home inspections
- Agents will be able to define to clients what the home inspections include
- “Standards” are not complete yet, had 102 hearing, and preparing the paper work for the 103 hearing this will be effective very soon.

I. WCRER Report

Glenn Crellin Reported:

- Research has included a lot of media relations during the past year
- Participated in legislative hearings
- Discussion surrounded renewal fees that go before legislation in 2010
- Discussed participation on research committees
- Worked closely with Economic Committee
- First time home buyers and their positive impact and effect on the economy
- Real Estate class enrollment has not suffered
- Participation continued in the Pacific Northwest Real Estate Challenge sponsored by NAOP
- The fund raiser for the endowed chair in real estate is on hold due to economic status

J. Other Business

Budget Report:

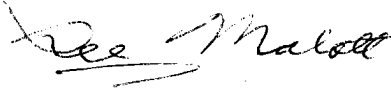
- Lee referred Commission to Budget Report Packet
- Distressed Property Bill has passed and it included an emergency clause so it will be effective as soon as the Governor signs the Bill

Adjourn

Motion to adjourn

Motion seconded and carried

Respectfully Submitted,



Lee Malott, Administrator