



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

DATE: December 9, 2008

PLACE: Double Tree Hotel, SeaTac
18740 International Blvd
Seattle, WA 98188

CONTACT

PERSON: Jerry McDonald, Assistant Administrator
(360) 664-6524
E-Mail: jmcdonald@dol.wa.gov

MEMBERS PRESENT:

Paul Chiles, Commissioner
Suki Bazaan, Commissioner
Cate Moye, Commissioner
George Pilant, Commissioner

STAFF PRESENT:

Lee Malott, Administrator
Karen Jarvis, Program Manager

NOT PRESENT:

Jerry McDonald, Assistant Administrator
Dan Murphy, Commissioner

CALL TO ORDER: Paul Chiles, Commissioner, Vice Chair

ORDER OF AGENDA: 9:00 am

A. Approval of Agenda

Motion to approve Agenda Motion seconded and carried

B. Approval of Minutes for September 23, 2008 Commission Meeting

Motion seconded and carried

C. Approval of Meeting dates for 2009

Motion to approve Meeting Dates and locations Approved

Motion Seconded and Carried

D. Update on Office of the Insurance Commissioner rules

- Lee Malott updated the Commission on the Office of Insurance Commissions new rules surrounding the real estate licensees.
- Title Company's cannot give promotional gifts beyond the value of more than \$10.00 to Licensees.
- Title Companies Cannot give licencees more than \$100.00 of food costs per year
- There is an allowance up to \$200.00 for memorial flowers in case of a death of a licensee.
- There are limits on how much is given to educational seminars per a one time basis of \$1,000.00 per seminar up to three times per year.
- Once the rules have been adopted the Commission will need to agree to adopt the new WAC rules that will be written to support the law.
- Discussion surrounded the new rules.

E. Update on Distressed Properties

- Lee Malott announced that per the Governor's request the Department of Licensing and Department of Financial Institutions develop a work group to address the new Distressed Property Law that was passed through legislation.
- The law impactes the agents that assist home owners in foreclosure or within the last 20 days of the foreclosure process and obtained personal gain or harmed the home owner they would be subject a \$100,000.00 fine.
- Council in all sectors informed Real Estate Companies not to assist in the foreclosure process.
- The law exempted the attorneys that supported or assisted in the foreclosures.
- The work group met and worked diligently to amend and design wording to the law that would allow the agents to assist in the foreclosure sales and processes with protection from liability.
- After reviewing the work groups draft the Governor has accepted the amended changes.
- There was discussion that surrounded the law.

F. Update from WCRER

a. Curriculum

- Glen Crellin presented a preliminary draft of course curricula pertaining to the changes to the Real Estate Fundamentals course and initial material for the advanced Real Estate Practices course.
- There will be a draft of revised curriculums for Fundamentals, Practices, Advanced Practices, Real Estate Brokerage Management, and Business Management, presented to the Commission and the Education Providers by next week.
- Glenn requested a follow up meeting with the Education Sub Committee to go over and finalize curriculums.
- Glenn indicated that there was still a significant amount of work to be done surrounding the content of the Real Estate Law and Advanced Real Estate Law class content.
- There will be a draft on the Transition classes that the curricula cannot be developed until the Changing Business Practices Sub Committee has gone through the supervision elements that need to be added to the WAC.
- Discussions surrounded the new curricula's
- Audience member Anne Hartman presented the question that addressed the 30 hour law...If the 30 hour law course is changed for the broker requirement; if someone were take the 30 hour law today is that going to be accepted if they do not finish all courses and the exam until July 1, 2010?
- Glenn Crellin stated that the current Real Estate Law course that is taught today is relatively consistent with the Advanced Real Estate Law class that will be a part of the revised proposal. It was his opinion that if an individual were to take the Real Estate Law course today which would qualify them to be a broker it should be able to be accepted as the Advanced Law Class.

- Paul Chiles requested that the minutes reflected upon the opinions and questions that surrounded the 30 clock hours of real estate law questions. Please refer to the recorded minutes.
- It was determined that there needed to be a formal decision made on what clock hours would be accepted just prior to the law change.
- George Pilant recommended that the providers submit questions to Glenn and himself, so we can fine tune curricula changes.

b. Newsletter

- Glenn presented a draft of the letter which is going to incorporate the 18.85 process.
- Contains updates regarding workers compensation issues.
- Articles surrounding the current real estate market.
- The newsletter still needs a Commissioners Corner. The theme is going to surround the idea of how to get agents to come back to the real estate profession and market.
- George Pilant will be submitting an article for the Commissioner Corner.
- Glenn presented a draft proposal for another issue of the newsletter for 2009.
- There was discussion surrounding the costs and current budget issues of the newsletter. What would be the most cost effective way to disburse the news letter?
- Motion to move forward with the newsletter for the first six months of 2009 using Education funds for the letter determining at our meeting march as to whether we will proceed with the letter for the second half of 2009.
- Motion seconded and carried.
- Discussion surrounded motion just carried and newsletter distribution.

Real Estate Market Research:

- Glenn Crellin indicated that after the Real Estate Commission Meeting in September adjourned, he met with the Board of Real

Estate Trustees in Pasco to discuss the importance of the focus of the impact of the real estate market in the commercial field and the licensees within the State of Washington.

- Commissioner Moye' commented on the positive impact of Glenn Cellini's research and time and effort he has spent on the research efforts for Washington State.
- Paul Chiles requested the minutes reflect upon the excellent work Glenn Crellin has done surrounding the research on the Real Estate Market in the State of Washington.

G. Update proposed 18.85 rules

Changing Business Practices:

- Cate Moye informed the Commission that the Sub-Committee has gone through WAC's 308.124A 308.124E
- The Sub Committee is now revisiting 308.124 D which is the section that pertains to the advertising, oversight, and supervision of the licensees.
- Most of the changes that have been made have been grammatical for example changing the term "Sales Person" to "Broker" "Designated Broker" "Firm" grammatical changes that correspond with the law.
- The Sub Committees goal for completion is in early January of 2009.
- There was discussion surrounding the Sub-Committees progression on the 18.85 rewrite.

H. Budget Report:

- Lee Malott referred the Commission to the Budget Report Packet.
- Real Estate Commission Fund balance explanation 9 million
- Expenditures to date
- Licensee base 600 active licenses dropped to inactive there are 14,000 inactive licenses and approximately 25,000 active.
- Real Estate Education Fund Reviewed
- Expenditures related to Real Estate Area
- Fund Balance for Real Estate Program
- Real Estate Program Forecast
- Revenue Tracking Explanation

- Expenditures – Tracked closely
- Hiring Freeze explanation regarding units within the Real Estate Division there has been savings from non filled vacant positions. That savings has gone into the general fund and if the savings is not spent the Agency can take the unused funds and apply them to a different fund in or outside of the agency.
- Cost Savings/Way to cut state expenditures.
- Discussion surrounded the budget report
- Commissioner Chiles Supported Commissioner Bazaans commentary regarding the fund balance and the importance of focusing on the Real Estate Commission's need to fight for and utilize the funds available to meet the immediate needs of the real estate profession.

I. Other Business/Opened Session

Commissioner Vacancy selection process:

- The Governor placed a temporary on appointing a new Commissioner until after the election was over. Since the Governor has been re-elected the process for appointing a new Commissioner has been reinstated and all applications are under review.

- Two pieces of legislation were reviewed by the judiciary committee

Distressed Property

- Summarized review of Residential Contractor
- Impact that out of state Non Licensed Sub-Contractors has on Washington State
- There was discussion that surrounded the above mentioned topics.

J. Adjourn

Motion to adjourn motion seconded and carried.

Respectfully, Submitted



Lee Malott, Administrator