



Oregon

Theodore R. Kulongoski, Governor

Real Estate Agency

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State of Oregon Real Estate Agency

REAL ESTATE BOARD

Regular Meeting Minutes

August 3, 2009

MEMBERS PRESENT: Art Kegler, Chair
Warren (Lee) Dunn, Vice Chair
Michael Graeper
Byron Hendricks
Chris Hermanski
Robert LeFeber
Kim Medford
George Slape

MEMBERS ABSENT: Marianne Wood (excused)

STAFF PRESENT: Gene Bentley, Commissioner
Dean Owens, Deputy Commissioner
Selina Barnes, Regulations Division Manager
Mesheal Heyman, Education Division Manager
Laurie Skillman, Land Development Manager
Kate Nass, Administrative Services Division Manager
Leandra Soto, Board Liaison

GUESTS PRESENT:

I. BOARD BUSINESS

- A. Call to Order.** Chair Kegler asked each board member to introduce themselves and give a brief summary of their background.
- B. Roll Call.** The board liaison conducted roll call. Marianne Wood was excused.
- C. Approval of the Agenda and Order of Business.** The Agenda and Order of Business was approved.
- D. Approval of the June 1, 2009, regular meeting minutes.** The June 1, 2009, regular meeting minutes were approved with corrections.



E. Date of Next Meeting. October 5, 2009 in Hood River, Oregon at The Best Western Hood River Inn.

II. PUBLIC COMMENT. None.

III. REQUESTS FOR WAIVER. Waiver request log.

A. Tracy Wang requests experience requirements waiver for a sole practitioner license (included in packet). Chair Kegler invited Ms. Wang to address her waiver request. Ms. Wang responded by stating she has worked for a principal broker realtor team for the last five years and has received online training from exclusive provider organization and this educational knowledge is the basis for her request. Chair Kegler asked Ms. Wang if she was aware of the new law eliminating sole practitioner designation effective January 1, 2010. Ms. Wang responded that she was not aware of the upcoming change. Mr. Hendrick asked Ms. Wang why she did not choose to become licensed under a principal broker? Ms. Wang responded that she has been working with principal brokers for the last five years. Mr. Hendrick asked Ms. Wang if she is conducting open houses at this time. Ms. Wang responded that she is not conducting open houses at this time, however, she has attended some courses to learn about marketing materials. Mr. Hendrick then asked Ms. Wang to describe her work with exclusive provider organizations (Epos's) and she responded that she prior to EPO work she did bookkeeping for over two years. Mr. Graeper clarified that Ms. Wang had passed her exam in August of 2008. Mr. Graeper asked if Ms. Wang had been offered employment by any of the firms she has applied for. Ms. Wang indicated that she has not been offered employment. Chair Kegler reminded Ms. Wang of the one year deadline she must meet to obtain a license and find employment.

**MOTION TO DENY WAIVER REQUEST BY MICHAEL GRAEPER
MOTION CARRIED BY UNANIMOUS VOTE.**

IV. BOARD ADVICE/ACTION/Commissioner Bentley

Board responsibility resulting from SB 640. Commissioner Bentley gave a brief summary of SB 640. Mr. Bentley indicated that SB 640 which was introduced by the Oregon Association Of Realtors® has passed and will go into effect January 1, 2011 and will require any person applying for a real estate broker/property manager license to have a high school diploma or equivalent and principal brokers to pass a state administered exam.

- **3 hour class on new statutes/rules.** The board will develop the curriculum for a mandatory 3 hour course on continuing education which will keep licensees up to date on the most recent changes to statute and rule
- **Approve CE providers not identified.** Discussion regarding the process for the board to screen qualified providers resulted in the consensus that an application should be developed for providers to complete that will identify their qualifications.
- **Testing.** Commissioner Bentley explained that the board is responsible in overseeing the pool of test questions and he clarified the direction that past discussions have taken is for him to explore this opportunity at the ARELLO (The Association of Real Estate License Law Officials) Annual Conference in October.

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- **Principal Broker Exam.** Principal Broker applicants will be required to take a state administered exam after January 1, 2011. Discussion regarding the development of an exam resulted in consensus that after Commissioner Bentley receives feedback from ARELLO at the annual conference, Byron Hendrick will meet with PSI and this issue will be addressed at the December 7, 2009 board meeting.

Commissioner Bentley asked the board to develop a report regarding the industry's future, and gave the example of how the internet and email have brought change. Byron Hendricks will coordinate with the board members to provide the beginning piece of this report and then blog out to the industry for additional input. Mike Graeper volunteered to help Mr. Hendricks with this project.

- V. COMMUNICATIONS-Administrative Actions Summary.** Discussion regarding the need for client trust accounts. Commissioner Bentley pointed out that the Agency conducts random client trust account audits which result in some noncompliance cases. George Slape pointed out that regulation of escrow client trust accounts deal with different issues than brokerage or property management client trust accounts. Chair Kegler and Mike Graeper suggested that principal brokers should determine if client trust accounts are necessary.

VI. OREGON REAL ESTATE NEWS JOURNAL-Chair Kegler. Chair Kegler's article will be published in the next issue of the OREN-J and Lee Dunn will submit an article for the following issue.

VII. REPORTS

A. Chair Kegler. Chair Kegler reported that he was contacted by a licensee who had a complaint against the Agency. Chair Kegler contacted Commissioner Bentley regarding this issue and subsequently, Commissioner Bentley resolved the issue. Chair Kegler encouraged members to communicate with the board regarding any issues with the intent to resolve the issue.

B. Commissioner Gene Bentley.

- **Introduce New Education Division Manager.** Commissioner Bentley introduced Stacey Harrison as the new Education Division Manager.
- **Rule writing as result of new legislation.** During the recent legislative session Senate Bill 140, Senate Bill 141, Senate Bill 640, and House Bill 2910 were all passed. The Agency has formed three work groups to develop the draft rules that will implement the legislation of the bills. The brokerage work group session will be on August 12, 2009.
 - **Open issues from last review**
 - **Rule review at October 5 2009 board meeting**
- **Workgroups**
 - **Brokerage.** SB 140 and HB 2910, will have first work group session on August 12, 2009. The following are the members in this work group:
 - John Baker (Salem), John Bowman (Portland), Dave Hamilton (Portland), Byron Hendricks (OREA Board Member), Jana Jarvis (OAR), Art Kegler (OREA Board Chair), Dave Koch (Re/Max), Mike Kozak (Bend), Steve Lucas (Portland), Brian Pienovi (Portland), Jan Robertson (Norris, Biggs and Simpson), Jeremy Starr (Eugene), and Steve Wilson (Realty Trust Group in Portland)
 - **Escrow.** SB 141, will have work session on August 18, 2009. The following are the members in this work group:
 - Cleve Abbe (Lawyers), Darlene Altman (American Title), Alan Brickley (First American), Yvonne Dunn and Jay Dobson (First American), Billie Epperson, Renee Grace (Mid-Columbia), Pat Inhat (Fidelity National), Peggy Neikirk (Land America), Susan Reiman (Fidelity National), and George Slape (OREA Board Member)
 - **Continuing Education** , SB 640, will have work session on September 10, 2009. The following are the members in this work group:
 - Chris Hermanski (OREA Board Member), Danni Walker (Bend), Joyce Beach (OAR), Sean Scanlon (Ticor), Julie McNeil (Chicago), Jeff Nuchi (Fidelity National), Kevin Simirin (Re/Max in Eugene), Bob Nelson (Eugene), Rick Harris (Medford), Paul Gold (Pro Schools), Harlow Spaan (Online Ed) , Linda Forbes (Pro Studies), Marsha Edwards (Eugene), Bob Lefeber (OREA

Board Member), John Zupan (Medford), and Lee Dunn (OREA Board Member)

Commissioner Bentley also stated that the Agency no longer has the Blue Manual available in hard copy form, it is only available online.


C. Agency Division reports/Deputy Commissioner Dean Owens (reports included in packet)

1. **Regulation Division-Selina Barnes.** Ms. Barnes addressed the training plan that is currently pending in the Regulation Division. She stated that ARELLO has put together a very comprehensive investigator training program which the Agency is utilizing. Ms. Barnes indicated that all investigators in the Division will attend the ARELLO Investigator Workshop by the end of 2010, and new investigators will be required to attend within a year of employment. She stated that there is also an advanced investigator workshop available and she is looking at certification of investigators. The goal is to get all investigators certified. Byron Hendricks asked Ms. Barnes what the current direction is towards investigator applicants regarding the ARELLO certification. Ms. Barnes responded that the course is generic and specific training should come first. The ARELLO training should come first. The ARELLO training comes in after exposure to Oregon laws.
2. **Licensing Division-Laurie Hall** (not present). Deputy Commissioner Dean Owens gave the report in Ms. Hall's absence. He stated that the Licensing Division has made improvements in making customer service a priority. The ability for licensees to fax documents to complete transactions with the Agency is working very well.
3. **Education Division-Stacey Harrison.** Ms. Harrison indicated that the Division's first priority is SB 640 and developing the rules. She indicated that mail in audits have been mailed out. The Division is working toward developing a compliance review process that will provide education for licensees. The updated version of blue manual online will be available by September, 2009. Ms. Harrison is currently working on the job description for the new Compliance Specialist 1 position.
4. **Land Development Division-Laurie Skillman.** Ms. Skillman stated that the Division is responsible for condominium filings, contracts, time share and real estate marketing organizations. She also reviewed the statistics provided in her handout. Ms. Skillman reported that new condominium filings and filings for additions continue to be received.
5. **Administration/Information Systems-Kate Nass.** Ms. Nass summarized the Agency's budget and indicated that the current big project is the new licensing software. TEK Associates consulting firm has just completed their report/analysis. Ms. Nass also stated that there is currently a survey available for licensees to take on the Agency website regarding online services.

VIII. ANNOUNCEMENTS-Next meeting: October 5, 2009 at The Best Western Hood River Inn 1108 East Marina Way, Hood River, Oregon 97031

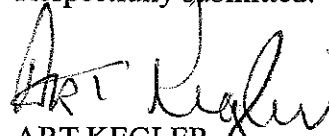
IX. ADJOURNMENT

Respectfully submitted:



GENE BENTLEY
COMMISSIONER

Respectfully submitted:



ART KEGLER
BOARD CHAIR