



Oregon

Theodore R. Kulongoski, Governor

Real Estate Agency

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State of Oregon Real Estate Agency

REAL ESTATE BOARD

Regular Meeting Minutes

June 1, 2009

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

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

GUESTS PRESENT: Lois Ebel, Valley Realty
Susan McMurdo, Valley Realty
Marlena Bechtel, Valley Realty
Anita Faber, Valley Realty
Ed Hegehe, Valley Realty
Karen Brock, Nelson Real Estate
Marty Lien, ERA Driggers
Bill Gast, Sunfire Real Estate LLC
Howard Britton, Howard Britton Realty
Myra Skidger, Homestead Realty



Marc Slater, Uriarte Realty
Gary Haefler, Century 21 Eagle Cap Realty
Anna Goodman, Century 21 Eagle Cap Realty
John Howard, John Howard and Associates
Greg Sackos, Intermountain Realty
Joyce Beach, Oregon Association of Realtors
Bob Ullan, R/E Max Real Estate Team
Dave Driggers, ERA Driggers
Betty Driggers, ERA Driggers
Lyle Logan
Tressa Rossi, Fox Management
Candace Bowman, John J. Howard and Associates
John Bruck, REMAX Real Estate Team
Karla Smith, Nelson Real Estate
Mary Jo Grove, Nelson Real Estate
Sharon Rudin, Nelson Real Estate
Brian Olsen, Baker City Real Estate

I. BOARD BUSINESS

- A. **Call to Order.** Chair Kegler called the meeting to order.
- B. **Roll Call.** Chair Kegler asked for a roll call and each board member to give a brief history of their background.
- C. **Approval of the Agenda and Order of Business.** The Agenda and Order of Business was approved.
- D. **Approval of the April 6, 2009, regular meeting minutes.** The April 6, 2009, regular meeting minutes were approved with corrections reflecting that Kimberly Medford appeared by phone and Chris Hermanski was present.
- E. **Date of Next Meeting. August 3, 2009 in Portland, Oregon at the Multnomah Athletic Club.**

II. PUBLIC COMMENT. None.

III. REQUESTS FOR WAIVER. Waiver request log.

- A. **Lawrence Davidson requests experience requirements waiver for a sole practitioner license (included in packet).** Chair Kegler invited Mr. Davidson to explain the basis for his request and he responded by providing a brief history of his background and qualifications. Chair Kegler asked Mr. Davidson to clarify his reason for his request to become a sole practitioner and he responded that the main reason being that he does not want to be employed by someone else and wishes to represent buyers and sellers in transactions, earn commissions, and have listings.

**MOTION TO APPROVE WAIVER REQUEST BY BYRON HENDRICKS.
MOTION CARRIED BY UNANIMOUS VOTE.**

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- B. **Tressa Rossi requests experience requirements waiver for a principal broker license (included in packet.)** Chair Kegler invited Ms. Rossi to explain the basis of her waiver request and she responded that she was a licensed salesperson in 1991, has had many years experience as a licensed property manager and also in escrow and mortgage related activity. Ms. Rossi also explained her business is expanding and she wants to eventually employ brokers. Ms. Rossi stated that her immediate plans are to become a principal broker which will allow her to handle the sales end of her business and bring someone else in to handle the property management.

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

IV. BOARD ADVICE/ACTION-Commissioner Bentley

- A. **Potential reciprocal agreements from other states.** Commissioner Bentley provided an update of the current status of reciprocal agreements in place. He indicated that Montana, Wyoming and Idaho have all withdrawn their reciprocal license agreements with Oregon.

- V. **COMMUNICATIONS-Administrative Actions Summary.** Chair Kegler encouraged brokers to be timely in renewing their licenses to avoid sanctions being imposed. Commissioner Bentley clarified that the Agency only imposes sanctions on someone who engages in professional real estate activity within the unlicensed period.

- VI. **OREGON REAL ESTATE NEWS JOURNAL-Chair Kegler.** Chair Kegler stated that board members will be submitting articles for each issue of the OREN-J. Michael Graeper suggested that photos of board members be displayed with each article. Commissioner Bentley stated that the Agency's ultimate goal is to distribute the OREN-J electronically in order to reduce costs involved in regular mailing.

Commissioner Bentley recognized Marcos Santos, Lyle Logan and Joseph Dent as long time licensed brokers.

VII. REPORTS

- A. **Chair Kegler.** None.

B. **Commissioner Gene Bentley**

1. **Legislative Update.** Commissioner Bentley summarized the 2009-2011 legislative session process. He explained that the legislature establishes statutory authority which permits the Agency to develop rules and he gave a status report on the following bills:

a. **SB 140**

- This bill clarifies that a real estate broker can not establish a branch office or a registered business name
- Escrow must be placed in a licensed escrow depository in the State of Oregon
- Eliminates the requirement to publish the addresses of those who have been refused a license or disciplined

- Gives the Agency the authority to issue a limited license
- Allows agency to impose civil penalties against property managers for failure to produce client trust account records

b. SB141

- Requires escrow licensing by rule
- Requires new escrow agents to provide finger print information and also when a change in ownership occurs
- Gives the Agency authority to reprimand and/or sanction escrow agents engaged in untrustworthy acts outside of the scope of their licensed escrow activity
- Gives the Agency authority to suspend and/or revoke escrow agents license for failure to maintain a bond

c. SB 640.

- This bill will go into effect January 1, 2011
- Require all applicants to have a high school diploma or a GED
- Require principal broker applicants to pass a state administered test
- State will oversee continuing education requirements for escrow agents, property managers, sole practitioners, and principal brokers
- Establish the criteria for a provider/school and instructors
- The Agency work groups will develop a transition process for licensees who are renewing their license on January 1, 2011 to allow credit for continuing education completed prior to January 1, 2011.

d. HB 2910.

- If passed, will eliminate a licensed personal assistant and will become effective on January 1, 2010
- Eliminates the requirement that a principal broker must supervise

2. **Education Work Groups.** Commissioner Bentley stated explained that the Agency will be forming a work group that will be developing rules regarding continuing education. He also indicated that the work group will consist of twelve to fifteen people from the education industry.
3. **Sole Practitioner/Principal Broker.** Commissioner Bentley stated that the elimination of the sole practitioner license will go into effect on January 1, 2010.
4. **Education Division Manager.** Commissioner Bentley indicated that Agency intends on expanding the Education Division to a staff of four, including a new Education Division Manager.
5. **ARELLO Mid Year Conference report.** Commissioner Bentley explained that he attended the ARELLO Mid Year Conference in Asheville, North Carolina at which time the Nation of Dubai was admitted as a new member to ARELLO. He also stated that the Agency will be sending investigators on staff to the Investigator Workshop that ARELLO offers.

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

1. **Regulation Division-Selina Barnes.** Ms. Barnes reported that the Division is in the process of reviewing escrow annual reports. The reports are due by March 31st of each year to provide the Division with information regarding trust funds received, distributed, or disbursed within a year period. Michael Graeper asked Ms. Barnes to clarify the number of complaints received shown on the report. Ms Barnes responded that the number listed is based on the number of complaints that go directly into an investigation.
2. **Licensing Division-Laurie Hall.** Ms. Hall reported that the number of licensed brokers has remained steady and the number of property managers is slowly increasing. She also stated that the online renewal remains at 40% and the anticipated new software will allow the Agency to improve the online renewal process as well as add additional functions.
3. **Education Division-Mesheal Heyman.** Ms. Heyman spoke on the highlights of the division report. She reported that there is a 40% decrease in the amount of applicants for exams being administered by PSI, which is a 25% decrease from 2008 and 2009. She also stated that the client trust account audits were suspended during the first quarter of 2009 due to reconfiguration of the division and it has been resumed.
4. **Land Development Division-Laurie Skillman.** Ms. Skillman reported that filings are tracking with statistics found in 2005. She also indicated timeshare filings have increased and majority of them are from out of state.
5. **Administration/Information Systems-Kate Nass.** Ms. Nass summarized the statistical information provided in her report regarding the Agency budget. The Agency is working with consultants on the business plan regarding the new licensing system to be purchased.

VIII. ADJOURNMENT

Respectfully submitted:



GENE BENTLEY
COMMISSIONER

Respectfully submitted:



ART KEGLER
BOARD CHAIR