

Iowa Real Estate Commission
200 East Grand, Suite 350
Des Moines, IA 50309
MINUTES
February 4, 2016

Commissioners present for all or part of the meeting:

Terry Duggan, Chair
Dennis Stolk, Vice Chair
Jan DeMott
John Goede
Helen Kimes

Commissioners absent:

Mike Telford

Staff present for all or part of the meeting:

Jeff Evans, Executive Officer
John Lundquist, Assistant Attorney General
Sandy Malek, Investigator
Tracy Lindgren, Licensing Specialist
Jill Simbro, Education Director
Renee Paulsen, Background Coordinator
Colleen Goddard, Auditor

Members of Public in attendance for all or part of the open session of the meeting:

Paul McLaughlin, Iowa Association of Realtors

Call to Order:

Duggan called the meeting to order at 9:07 a.m.
Quorum was established.

Motion by Stolk to approve the agenda.

Seconded by Goede.

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Approval of Minutes:

Motion by Stolk to approve the open session and the closed session December 3, 2015 minutes.

Seconded by Goede.

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Motion by DeMott to approve the open session and the closed session December 22, 2015 minutes.

Seconded by Stolk.

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Commissioner Reports:

Goede mentioned isolated incidents that exam candidates are experiencing with PSI not accepting forms of identification to take an exam. Evans explained that the Commission has no control over what PSI will or will not accept; the requirements are PSI company policies. PSI requires that exam candidates must present valid, unexpired and acceptable ID(s) in order to take their test.

Staff Reports:

Lundquist mentioned the hearing for today has been continued. Lundquist also thanked Evans for his hard work.

Evans reminded the Commissioners that if they expect to be reimbursed for travel expenses, original and itemized receipts will need to be submitted to staff. Evans provided copies and submitted the IREC Staff report for December 2015 and January 2016 to the Commission. Evans also reported 2015 renewals are now complete.

Rules Task Force Committee:

DeMott reported the rules task force committee met on January 13th and discussed 193E Chapter 10 (Advertising) and 193E Chapters 16 and 17 (Education). McLaughlin mentioned it was a good active discussion and changes proposed are strong and felt nothing was controversial. Evans reported the proposed changes for Chapters 3, 4 and 5 should be ready in the near future to be noticed.

ARELLO:

Motion by Stolk to approve sending Malek to attend the ARELLO Investigator Workshop April 12 – 14, 2016 in Atlanta, GA.

Seconded by DeMott.

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Motion made by Kimes to approve Evans, Lundquist and Duggan to attend the ARELLO Mid-Year Meeting April 13 – 16, 2016 in Atlanta, GA.

Seconded by Goede.

VOTE: Aye: DeMott, Goede, Kimes, Stolk Nay: None Abstaining: Duggan

Motion passed.

Communications:

After discussion, **Motion by Stolk to grant waiver 16-01.** The petitioner, who recently reinstated his salesperson license with the State of Iowa, asked the Commission for a waiver of 193E Iowa Administrative Code § 3.1(6) and the required 24-month active salesperson experience under a sponsoring broker to obtain an Iowa real estate broker's license by allowing him to use his previous Iowa experience.

Seconded by Kimes

VOTE: Aye: DeMott, Duggan, Kimes, Stolk Nay: Goede Abstaining: None

Motion passed.

After discussion, **Motion by Kimes to grant waiver 16-02, allowing for the petitioner to be given permission to take the Iowa portion of the salesperson examination.** The petitioner, who is a licensed broker in the State of South Dakota and a potential applicant for real estate licensure in the state of Iowa, asked the Commission for a waiver of 193E Iowa Administrative Code § 5.1(2) and the requirement that a licensed broker or broker associate in another jurisdiction making application in Iowa as provided in rule 193E 5.3 shall qualify only for the same type of broker or broker associate license in Iowa.

Seconded by Goede

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Administrative Rules:

Motion by Kimes to Notice 193 Iowa Administrative Code Chapters 1, 3, 5, 7, 8, 9, 10 and 13.

Seconded by DeMott

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Public Comment:

McLaughlin reported the Iowa Association of Realtors is having their upcoming Legislative Bus-In Day on March 2, 2016.

Formal Hearing:

The hearing scheduled for IREC Case No. 15-262 has been continued pursuant to the request of the respondent. The hearing is rescheduled for March 3, 2016 at 1:30 p.m.

Closed Session:

Motion by Stolk to enter into closed session pursuant to Iowa Code §§ 21.5(1)(a), 21.5(1)(d) and 272C.6(4) to review pending licensee discipline cases and investigations, including any cases ready for final resolution through closure or consent order.

Seconded by DeMott.

VOTE: Roll call: DeMott, aye; Duggan, aye; Goede, aye; Kimes, aye; Stolk, aye.

Motion carried unanimously.

The Commission entered into closed session at 9:44 a.m. and arose there from at 10:27 a.m.

Open Session:

Motion by DeMott to return to open session.

Seconded by Stolk.

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Motion by Kimes to accept the signed settlements and/consent agreements for the cases discussed in closed session and to authorize Duggan (Chair), Stolk (Vice Chair) or Jeff Evans (Executive Officer) to sign the accepted, signed Settlement Agreements/Consent Agreements for the following cases: 14-085, 14-175, 14-211, 15-169, 15-193, 15-216, 15-252, 15-261, 15-263, 15-264, 15-285, 15-286, 15-288, 15-306 and 15-307.

Seconded by DeMott.

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Motion by Kimes to find probable cause and to authorize Duggan (Chair), Stolk (Vice Chair) or Evans (Executive Officer) to sign the accepted signed Voluntary Surrender for Case No. 15-344.

Seconded by Goede.

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Motion by Goede to find probable cause and to authorize Duggan (Chair), Stolk (Vice Chair) or Evans (Executive Officer) to sign the accepted signed settlement agreement for the following cases 15-299, 15-305 and 15-308.

Seconded by DeMott.

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Motion by Goede to find probable cause and to authorize Duggan (Chair), Stolk (Vice Chair) or Evans (Executive Officer) to sign the accepted signed settlement agreement for IREC Case No. 15-342.

Seconded by DeMott.

VOTE: Aye: DeMott, Duggan, Goede, Kimes Nay: None Abstaining: Stolk

Motion passed.

Motion by DeMott to enter into a Consent Agreement with the applicants and to authorize Evans (Executive Officer) to sign on behalf of the Commission and then grant licensure when all other licensing requirements have been met for the following cases: 15-346, 16-001, 16-003, 16-005, 16-006 and 16-011.

Seconded by Stolk.

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Motion by Stolk to find probable cause for the following cases: 15-173, 15-290, 15-302, 15-320, 15-321, 15-325, 15-332, 15-343, 16-007, 16-013 and 16-019.

Seconded by Kimes.

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Motion by Stolk to find probable cause for IREC Case No. 15-287.

Seconded by Kimes.

VOTE: Aye: DeMott, Goede, Kimes, Stolk Nay: None Abstaining: Duggan

Motion passed.

Motion by Goede to close the following cases: 15-274, 15-312, 15-313, 15-328, 15-338, 15-348, 16-008 and 16-009.

Seconded by DeMott.

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Motion by Stolk to rescind the probable cause finding and close IREC Case No. 15-207.

Seconded by Kimes.

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Discussion was held re: IREC Case No. 14-241 and the allegations of the unlicensed practice of real estate.

Motion by DeMott to close the file.

Seconded by Kimes.

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Discussion was held re: IREC Case No. 15-194 and the allegations of the unlicensed practice of real estate.

Motion by DeMott to close the file.

Seconded by Kimes.

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Discussion was held re: IREC Case No. 15-195 and the allegations of the unlicensed practice of real estate.

Motion by DeMott to close the file.

Seconded by Kimes.

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Discussion was held re: IREC Case No. 15-337 and the allegations of the unlicensed practice of real estate.

Motion by Kimes to issue "Notice of Intent to Impose Civil Penalty" pursuant to 193E Iowa Administrative Code § 21.5 to the Respondent.

Seconded by Goede.

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Future Meeting Dates:

Future IREC meetings are tentatively scheduled as follows:

Investigation Committee

Wednesday, March 2 (Duggan, Stolk)
Wednesday, April 6 (DeMott, Telford)
Wednesday, May 4 (Kimes, Goede)
Wednesday, June 8
No July Meeting
Wednesday, August 3

Commission Meetings

Thursday, March 3
Thursday, April 7
Thursday, May 5
Thursday, June 9
No July Meeting
Thursday, August 4

Meeting Adjourned

With all agenda items covered, the meeting adjourned at 10:44 a.m.

These minutes accurately reflect the minutes approved by the Commission at the meeting on:

3-3-16

Date


By: Terry Duggan, Chair

**Iowa Real Estate Commission
Staff Report (For December 2015)
February 4, 2016 IREC Meeting**

LICENSING TOTALS:

	<u>Firms</u>	<u>Brokers</u>		<u>Salespeople</u>		<u>TOTAL LICENSEES</u>
		<u>Active</u>	<u>Inactive</u>	<u>Active</u>	<u>Inactive</u>	
December 2015	1,251	3,411	499	5,730	1,494	11,134
December 2014	1,249	3,433	508	5,460	1,514	10,915

EXAMINATIONS ADMINISTERED BY PSI:

	<u>November</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Broker	37	285	315	281	207	245	233
Salesperson	167	1,512	1,501	1,212	952	781	916

BROKERS & SALESPERSONS PROCESSED APPLICATIONS:

	<u>December</u>	<u>Year To Date</u>
2007		1,113
2008		861
2009		531
2010		604
2011		562
2012		625
2013		835
2014		845
2015	36	972

BACKGROUND CHECKS:

Year to Date average turnaround time is 22 days.

AUDITS:

	<u>December</u>	<u>Year To Date Totals</u>
Continuing Education	50	502
E & O	21	580
Trust Account	21	342

PERCENTAGE OF NONCOMPLIANCE FOR E&O AND CE AUDITS:

<u>Year</u>	<u>E&O</u>	<u>Continuing Education</u>
2007	17%	5%
2008	15%	4%
2009	33%	6%
2010	18%	5%
2011	15%	5%
2012	21%	5%
2013	11%	3%
2014	4.8%	1.8%
2015	15.9%	3.2%

INVESTIGATIONS/CONTESTED CASE HEARINGS/DISCIPLINARY ACTION:

	<u>December</u>	<u>Year To Date Totals</u>
Complaint Cases Opened	19	348
Final Case Disposition	35	330
Signed Informal Settlement Agreements	18	142
Signed Applicant Consent Agreements	3	28
Signed Cease and Desist by Consent Agreement	-	2
Formal Hearings	-	3
License Denials	-	3
Civil Penalties Assessed	-	\$169,000
Continuing Education Hours Assessed	-	204
CPA Audits Assessed	-	7
Trust Account Reexaminations Assessed	-	8
Probations Assessed	-	1
Suspensions Assessed	-	4
Revocations/Voluntary Surrenders	-	3
Statement of Charges Filed (Outstanding)	-	9

REAL ESTATE EDUCATION REPORT:

	<u>December</u>	<u>Year To Date Totals</u>
Course Approvals	35	547
Instructor Approvals	2	59
Provider Approvals	1	23
Post Course Approvals	12	66
Prior Course Approvals	1	7
Denied Courses	4	34

RENEWALS FOR LICENSEES EXPIRING ON 12/31/15:

Licenses up for Renewal	4,267
Licenses Renewed	3,419
Licenses Lapsed/Expired	848

**Iowa Real Estate Commission
 Staff Report (For January 2016)
 February 4, 2016 IREC Meeting**

LICENSING TOTALS:

	<u>Firms</u>	<u>Brokers</u>		<u>Salespeople</u>		<u>TOTAL LICENSEES</u>
		<u>Active</u>	<u>Inactive</u>	<u>Active</u>	<u>Inactive</u>	
January 2016	1,251	3,416	519	5,748	1,584	11,267
January 2015	1,245	3,425	535	5,507	1,577	11,044

EXAMINATIONS ADMINISTERED BY PSI:

	<u>December</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Broker	39	324	315	281	207	245	233
Salesperson	126	1,638	1,501	1,212	952	781	916

BROKERS & SALESPERSONS PROCESSED APPLICATIONS:

	<u>January</u>	<u>Year To Date</u>
2008		861
2009		531
2010		604
2011		562
2012		625
2013		835
2014		845
2015		972
2016	158	158

BACKGROUND CHECKS:

Year to Date average turnaround time is 23.5 days.

AUDITS:

	<u>January</u>	<u>Year To Date Totals</u>
Continuing Education	-	-
E & O	-	-
Trust Account	30	30

PERCENTAGE OF NONCOMPLIANCE FOR E&O AND CE AUDITS:

<u>Year</u>	<u>E&O</u>	<u>Continuing Education</u>
2008	15%	4%
2009	33%	6%
2010	18%	5%
2011	15%	5%
2012	21%	5%
2013	11%	3%
2014	4.8%	1.8%
2015	15.9%	3.2%
2016	-	-

INVESTIGATIONS/CONTESTED CASE HEARINGS/DISCIPLINARY ACTION:

	<u>January</u>	<u>Year To Date Totals</u>
Complaint Cases Opened	15	15
Final Case Disposition	7	7
Signed Informal Settlement Agreements	-	-
Signed Applicant Consent Agreements	-	-
Signed Cease and Desist by Consent Agreement	-	-
Formal Hearings	-	-
License Denials	-	-
Civil Penalties Assessed	-	-
Continuing Education Hours Assessed	-	-
CPA Audits Assessed	-	-
Trust Account Reexaminations Assessed	-	-
Probations Assessed	-	-
Suspensions Assessed	-	-
Revocations/Voluntary Surrenders	-	-
Statement of Charges Filed (Outstanding)	-	-

REAL ESTATE EDUCATION REPORT:

	<u>January</u>	<u>Year To Date Totals</u>
Course Approvals	64	64
Instructor Approvals	4	4
Provider Approvals	-	-
Post Course Approvals	-	-
Prior Course Approvals	1	1
Denied Courses	-	-