

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

**Commissioners present for all or part of the meeting**

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

**Staff present for all or part of the meeting**

Jeff Evans, Executive Officer	Lori SchraderBachar, Site Manager (Joined at 9:30)
John Lundquist, Assistant Attorney General	Sandy Malek, Investigator
Tracy Lindgren, Licensing Specialist	Jill Simbro, Education Director
Brandy March, Executive Officer	Colleen Goddard, Auditor
David Ranscht, Assistant Attorney General	

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

Paul McLaughlin, Iowa Association of Realtors	Robert Burns, Coldwell Banker
Wayne Makeeff, Public	Brad Neal, Renters Warehouse
Margaret Makeeff, Public	

**Call to Order**

Duggan called the meeting to order at 9:05 a.m.  
Quorum was established.

**Motion by Telford to approve the agenda.**

Seconded by DeMott.

VOTE: Aye: All                      Nay: None                      Abstaining: None

Motion passed unanimously.

**Approval of Minutes**

**Motion by Kimes to approve the open session and the closed session June 9, 2016 IREC meeting minutes.**

Seconded by Goede.

VOTE: Aye: All                      Nay: None                      Abstaining: None

Motion passed unanimously.

**Commissioner Reports**

None

**Staff Reports**

Evans reported SchraderBachar has spoken with the Governor's office and they are close to an announcement concerning the replacement of the public member position. Evans discussed recent staff changes with Mary Kay Zaver retiring; Renee Paulsen has been promoted to Accountant for the Professional Licensing Bureau, leaving the position of Background Coordinator vacant. 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 June and July 2016 to the Commission.

### ARELLO

**Motion by Telford to approve sending Commission staff to the 2016 ARELLO Investigator Workshop in Salt Lake City, Utah from October 18-20, 2016.**

Seconded by Kimes.

VOTE: Aye: All                      Nay: None                      Abstaining: None

Motion passed unanimously.

### Communications

After discussion, **Motion by Telford to grant waiver 16-06.** Brad Neal, petitioner, spoke to the Commission and explained the unique hardship due to the current broker giving notice to Renters Warehouse that their current agreement will expire on August 16, 2016. Neal, who is a licensed attorney in Iowa with experience in real estate transactions and who has been licensed as a salesperson with the State of Iowa for 22 months, 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.

Seconded by DeMott.

VOTE: Aye: All                      Nay: None                      Abstaining: None

Motion passed unanimously.

After discussion, **Motion by Kimes to grant waiver 16-07.** The petitioner, who is a licensed broker in the State of Illinois 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. The petitioner wishes to be licensed as a salesperson in Iowa.

Seconded by Telford.

VOTE: Aye: All                      Nay: None                      Abstaining: None

Motion passed unanimously.

After discussion, **Motion by Telford to deny waiver 16-08.** The petitioner, who is a licensed broker in the state of Iowa, asked the Commission for a waiver of 193E Iowa Administrative Code § 16.4(4) and the requirement that a maximum of 24 hours of continuing education may be taken by distance education each three-year renewal period.

Seconded by DeMott.

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

Motion passed.

After discussion, **Motion by Telford to grant waiver 16-09.** Robert Burns, petitioner, spoke to the Commission about his current real estate licensure in Iowa, along with his past real estate licensure experience in Minnesota and New York. The petitioner, who currently has an active 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 under a sponsoring broker to obtain an Iowa real estate broker's license.

Seconded by Kimes.

VOTE: Aye: All                      Nay: None                      Abstaining: None

Motion passed unanimously.

**Public Comment**

McLaughlin reported the Iowa Association of Realtors (IAR) Convention will be held from September 13 – 16 in Coralville, Iowa.

**Staff Reports**

SchraderBachar posed a question to the Commission, if the Professional Licensing Bureau was to move to a paperless system would they prefer to have a state issued device or portal access from their own devices. Discussion was held and the Commission is open to going paperless and would prefer to have state issued devices, if possible, for security purposes.

Lundquist introduced David Ranscht who is new to the Office of the Iowa Attorney General and has shadowed Lundquist the past two days while attending Commission meetings.

**Formal Hearing**

A hearing was held before the Commission re: IREC Case No. 15-265. Administrative Law Judge Margaret LaMarche assisted the Commission in conducting the hearing and a certified court reporter recorded the proceedings. The hearing was closed to the public at the Respondent's request, pursuant to Iowa Code section 272C.6(1). The hearing commenced at 9:42 a.m. and concluded at 10:50 a.m.

**Closed Session (1)**

**Motion by Stolk to enter into closed session pursuant to Iowa Code §§ 21.5(1)(f) to deliberate its decision in IREC Case No. 15-265.**

Seconded by DeMott.

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

Motion passed unanimously.

The Commission entered into closed session at 10:50 a.m. and arose from there at 11:10 a.m.

**Open Session**

**Motion by Kimes to return to open session.**

Seconded by Telford.

VOTE: Aye: All                      Nay: None                      Abstaining: None

Motion passed unanimously.

**Motion by Telford to direct Administrative Law Judge LaMarche to prepare a written decision for IREC Case No. 15-265 in accordance with the deliberations and findings made in closed session.**

Seconded by Goede.

VOTE: Aye: All                      Nay: None                      Abstaining: None

Motion passed unanimously.

**Closed Session (2):**

**Motion by Kimes to enter into closed session pursuant to Iowa Code §§ 21.5(1)(a), 21.5(1)(d), 21.5(1)(f) and 543B.15(9) to review pending licensee discipline cases and investigations, including any cases ready for final resolution through closure or consent order.**

Seconded by Telford.

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

Motion passed unanimously.

The Commission entered into closed session at 11:15 a.m. and arose from there at 11:52 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/or consent agreements for the cases discussed in closed session and to authorize Duggan (Chair), Stolk (Vice Chair) or Evans (Executive Officer) to sign the accepted, signed Settlement Agreements/Consent Agreements for the following cases: 16-012, 16-039, 16-082, 16-106, 16-117, 16-125, 16-132, 16-137, 16-139, 16-144, 16-153 and 16-193.**

Seconded by Goede.

VOTE: Aye: All                      Nay: None                      Abstaining: None

Motion passed unanimously.

**Motion by Stolk 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: 15-125, 15-298, 16-040, 16-050, 16-078, 16-145, 16-146, 16-157, 16-158, 16-159, 16-177, 16-178, 16-179 and 16-180.**

Seconded by Telford.

VOTE: Aye: All                      Nay: None                      Abstaining: None

Motion passed unanimously.

**Motion by Kimes 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: 16-197, 16-205, 16-206 and 16-215.**

Seconded by Telford.

VOTE: Aye: All                      Nay: None                      Abstaining: None

Motion passed unanimously.

**Motion by Telford to find probable cause for the following cases: 15-279, 15-331, 15-357, 16-025, 16-169, 16-174, 16-184, 16-185, 16-186, 16-187, 16-190, 16-196, 16-216, 16-218, 16-224, 16-231 and 16-242.**

Seconded by Stolk.

VOTE: Aye: All                      Nay: None                      Abstaining: None

Motion passed unanimously.

**Motion by Telford to find probable cause for IREC Case No. 16-188.**

Seconded by Stolk.

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

Motion passed.

**Motion by Telford to close the following cases: 14-083, 15-129, 16-143, 16-168, 16-170 and 16-172.**

Seconded by Kimes.

VOTE: Aye: All                      Nay: None                      Abstaining: None

Motion passed unanimously.

**Motion by Telford to close IREC Case No. 16-154.**

Seconded by Kimes.

VOTE: Aye: Duggan, DeMott, Kimes, Stolk, Telford    Nay: None    Abstaining: Goede  
Motion passed.

**Motion by Telford to close IREC Case No. 16-204.**

Seconded by Kimes.

VOTE: Aye: Duggan, Goede, Kimes, Stolk, Telford    Nay: None    Abstaining: DeMott  
Motion passed.

**Motion by Kimes directing staff to draft a letter for the individuals seeking a prelicense determination as discussed in closed session for IREC Case No. 16-228 and IREC Case No. 16-235.**

VOTE: Aye: DeMott, Duggan, Goede, Kimes, Telford    Nay: None    Abstaining: Stolk  
Motion passed.

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

Discussion was held re: IREC Case No. 16-128 and the allegations of the unlicensed practice of real estate.

**Motion by Kimes to close the file.**

Seconded by Stolk.

VOTE: Aye: All                                    Nay: None                                    Abstaining: None  
Motion carried unanimously.

Discussion was held re: IREC Case No. 16-129 and the allegations of the unlicensed practice of real estate.

**Motion by Kimes to close the file.**

Seconded by Stolk.

VOTE: Aye: All                                    Nay: None                                    Abstaining: None  
Motion carried unanimously.

Discussion was held re: IREC Case No. 16-166 and the allegations of the unlicensed practice of real estate.

**Motion by Telford to close the file.**

Seconded by Stolk.

VOTE: Aye: All                                    Nay: None                                    Abstaining: None  
Motion carried unanimously.

**Future Meeting Dates**

Future IREC meetings are tentatively scheduled as follows:

**Investigation Committee**

Wednesday, August 31 (Duggan, Goede)  
Wednesday, October 5 (DeMott, Kimes)  
Wednesday, November 2 (Stolk, ?)  
Wednesday, November 30

**Commission Meetings**

Thursday, September 1  
Thursday, October 6  
Thursday, November 3  
Thursday, December 1

**Meeting Adjourned**

With all agenda items covered, the meeting adjourned at 12:07 p.m.

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

9-1-16  
Date

  
By: Terry Duggan, Chair

## Iowa Real Estate Commission Staff Report (For June 2016) August 4, 2016 IREC Meeting

**LICENSING TOTALS:**

	<u>Brokers</u>			<u>Salespeople</u>		<u>TOTAL LICENSEES</u>
	<u>Firms</u>	<u>Active</u>	<u>Inactive</u>	<u>Active</u>	<u>Inactive</u>	
June 2016	1,267	3,406	406	5,933	1,224	11,029
June 2015	1,234	3,407	428	5,674	1,264	10,773

**EXAMINATIONS ADMINISTERED BY PSI:**

	<u>May</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Broker	25	116	324	315	281	207	245
Salesperson	166	863	1,638	1,501	1,212	952	781

**BROKERS & SALESPERSONS PROCESSED APPLICATIONS:**

	<u>June</u>	<u>Year To Date</u>
2008		861
2009		531
2010		604
2011		562
2012		625
2013		835
2014		845
2015		972
2016	71	592

**BACKGROUND CHECKS:**

Year to Date average turnaround time is 21 days.

**AUDITS:**

	<u>June</u>	<u>Year To Date Totals</u>
Continuing Education	50	293
E & O	35	293
Trust Account	22	167

**PERCENTAGE OF NONCOMPLIANCE FOR E&O AND CE AUDITS:**

<u>Year</u>	<u>E&amp;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	25.6%	5.5%

**INVESTIGATIONS/CONTESTED CASE HEARINGS/DISCIPLINARY ACTION:**

	<u>June</u>	<u>Year To Date Totals</u>
Complaint Cases Opened	35	220
Final Case Disposition	53	186
Signed Informal Settlement Agreements	25	80
Signed Applicant Consent Agreements	2	20
Signed Cease and Desist by Consent Agreement	-	2
Formal Hearings	-	1
License Denials	-	-
Civil Penalties Assessed	-	\$91,500
Continuing Education Hours Assessed	-	172
CPA Audits Assessed	-	1
Trust Account Reexaminations Assessed	-	-
Probations Assessed	-	1
Suspensions Assessed	-	-
Revocations/Voluntary Surrenders	-	2
Statement of Charges Filed (Outstanding)	-	9

**REAL ESTATE EDUCATION REPORT:**

	<u>June</u>	<u>Year To Date Totals</u>
Course Approvals	76	357
Instructor Approvals	10	48
Provider Approvals	2	9
Post Course Approvals	-	2
Prior Course Approvals	-	6
Denied Courses	-	2



## Iowa Real Estate Commission Staff Report (For July 2016) August 4, 2016 IREC Meeting

**LICENSING TOTALS:**

	<u>Brokers</u>			<u>Salespeople</u>		<u>TOTAL LICENSEES</u>
	<u>Firms</u>	<u>Active</u>	<u>Inactive</u>	<u>Active</u>	<u>Inactive</u>	
July 2016	1,269	3,417	409	6,004	1,249	11,079
July 2015	1,240	3,414	429	5,718	1,284	10,845

**EXAMINATIONS ADMINISTERED BY PSI:**

	<u>June</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Broker	26	142	324	315	281	207	245
Salesperson	127	990	1,638	1,501	1,212	952	781

**BROKERS & SALESPERSONS PROCESSED APPLICATIONS:**

	<u>July</u>	<u>Year To Date</u>
2008		861
2009		531
2010		604
2011		562
2012		625
2013		835
2014		845
2015		972
2016	81	673

**BACKGROUND CHECKS:**

Year to Date average turnaround time is 21 days.

**AUDITS:**

	<u>July</u>	<u>Year To Date Totals</u>
Continuing Education	-	293
E & O	-	293
Trust Account	25	193

**PERCENTAGE OF NONCOMPLIANCE FOR E&O AND CE AUDITS:**

<u>Year</u>	<u>E&amp;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	25.6%	5.5%

**INVESTIGATIONS/CONTESTED CASE HEARINGS/DISCIPLINARY ACTION:**

	<u>July</u>	<u>Year To Date Totals</u>
Complaint Cases Opened	28	248
Final Case Disposition	4	190
Signed Informal Settlement Agreements	-	80
Signed Applicant Consent Agreements	-	20
Signed Cease and Desist by Consent Agreement	-	2
Formal Hearings	-	1
License Denials	-	-
Civil Penalties Assessed	-	\$91,500
Continuing Education Hours Assessed	-	172
CPA Audits Assessed	-	1
Trust Account Reexaminations Assessed	-	-
Probations Assessed	-	1
Suspensions Assessed	-	-
Revocations/Voluntary Surrenders	-	2
Statement of Charges Filed (Outstanding)	-	9

**REAL ESTATE EDUCATION REPORT:**

	<u>July</u>	<u>Year To Date Totals</u>
Course Approvals	39	396
Instructor Approvals	10	58
Provider Approvals	2	11
Post Course Approvals	2	4
Prior Course Approvals	-	6
Denied Courses	2	4