

Iowa Real Estate Commission
200 East Grand, Suite 350
Des Moines, IA 50309
MINUTES
February 2, 2017

Commissioners present for all or part of the meeting

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

Commissioners not present

Dennis Stolk, Vice Chair

Staff present for all or part of the meeting

Jeff Evans, Executive Officer
John Lundquist, Assistant Attorney General
Pamela Black, Licensing Specialist
Sandy Malek, Investigator
Lori SchraderBachar, Site Manager
Jill Simbro, Education Specialist

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

Ken Clark, Via Group, LLC
Paul McLaughlin, Iowa Association of Realtors

Call to Order

Duggan called the meeting to order at 9:09 a.m.
Quorum was established.

Approval of Agenda

Motion by Telford to approve the agenda.

Seconded by Goede.

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Approval of Minutes

Motion by DeMott to approve the open session and the closed session December 1, 2016 IREC meeting minutes.

Seconded by Kimes.

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Motion by Telford to approve the open session and the closed session January 18, 2017 IREC meeting minutes.

Seconded by Goede.

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Commissioner Reports

None

Staff Reports

Lundquist reported there will be at least one hearing at the Commission's next regularly scheduled meeting. Lundquist also announced that the Iowa Legislature convened its 2017 session on Monday, January 9th and that Commission staff will work with the Division of Banking and the Iowa Association of Realtors on any proposed legislation.

SchraderBachar reported that the Iowa Professional Licensing Bureau is moving forward with a new licensing database which is expected to be live and running in September 2017. It is anticipated that many self-service options will be available to individuals and licensees to perform online (applications, renewals, change of address, mailing lists, etc). Jill Simbro is the lead on the project. Because of the time and resources involved to implement the new licensing system, the PLB Quarterly Newsletter is on hold.

Evans submitted the IREC monthly reports for December 2016 and January 2017 and 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 made note of Lundquist's hard work in reaching an informal settlement for the hearing that was scheduled for this month. Evans also announced that many staff hours have been placed into meeting with the Vertiba team to implement the the new database for the next several months. Evans anticipated that this will be the trend for the next six months or so.

ARELLO

After discussion, **motion by Telford to approve Evans, Lundquist and Commissioner Duggan to attend the 2017 ARELLO Mid-Year Meeting in Louisville, KY from April 26 – 29, 2017.**

Seconded by Kimes.

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

Motion passed.

Communications

After discussion, **Motion by Telford to grant waiver 17-01.** The petitioner, who is a licensed salesperson 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. The petitioner cited an infant child with special needs and that she is unable to attend continuing education classes in a classroom setting at this time.

Seconded by Goede.

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

Motion passed.

Public Comment

Ken Clark, immediate past president for the Iowa Association of Realtors (IAR), addressed the Commission and expressed his opinion that Iowa real estate brokers need to be held responsible for the acts of their affiliated licensees once they are assigned to their respective real estate brokerages. Clark provided suggestions that this could be done by requiring continuing education hours on how to manage an office and personnel, review listings, provide performance reviews, and review policies and procedures. Clark also suggested that the broker needs to be disciplined by the Commission for failure to properly supervise when the affiliated licensee is subject to disciplinary action. Evans extended an invitation to Clark to provide an article in the future for the PLB Quarterly Newsletter.

Closed Session

Motion by DeMott 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 Goede.

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

Motion passed unanimously.

The Commission entered into closed session at 9:34 a.m. and arose from there at 10:40 a.m.

Open Session

Motion by DeMott to return to open session.

Seconded by Telford

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), or Evans (Executive Officer) to sign the accepted, signed Settlement Agreements/Consent Agreements for the following cases: 13-186, 16-116, 16-250, 16-279, 16-330, 16-334, 16-335 and 16-340

Seconded by DeMott.

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 Evans (Executive Officer) to sign the accepted, signed Settlement Agreement/Consent Agreement for case 16-209.

Seconded by DeMott.

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

Motion passed.

Motion by Telford to find probable cause for the cases discussed in closed session and to authorize Duggan (Chair), or Evans (Executive Officer) to sign the accepted, signed settlement agreement for IREC Case No. 16-328, 16-329, 16-351, 16-358, 16-363, 16-364 and 16-391.

Seconded by Goede.

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Motion by Telford to enter into a Consent Agreement with the Applicant, with Executive Officer Evans signing on behalf of the Commission and then grant licensure when all other licensing requirements have been met for IREC Case No. 17-002 and IREC Case No. 17-013.

Seconded by Kimes.

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Motion by Kimes to grant licensure for IREC Case No. 17-012.

Seconded by Telford.

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Motion by Goede to find probable cause for the following cases: 16-203, 16-283, 16-291, 16-344, 16-368, 16-389, 17-008 as discussed in closed session.

Seconded by DeMott.

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Motion by Goede to close the following cases: 16-311, 16-322, 16-333, 16-338, 16-339, 16-371, 16-372, 16-373, 16-377 and 16-379 as discussed in closed session.

Seconded by Telford.

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Motion by Kimes for staff to draft a letter for the individual seeking a prelicense determination as discussed in closed session for IREC Case No. 17-001.

Seconded by DeMott.

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Discussion was held re: IREC Case No. 16-304 and the allegations of the unlicensed practice of real estate. It was determined that the file will be tabled to a future meeting.

Discussion was held re: IREC Case No. 16-321 and the allegations of the unlicensed practice of real estate.

Motion by Kimes to close the file.

Seconded by Goede.

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Discussion was held re: IREC Case No. 16-337 and the allegations of the unlicensed practice of real estate.

Motion by Kimes to close the file.

Seconded by DeMott.

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 1 (Telford, Goede)

Wednesday, April 5 (Duggan, DeMott)

Wednesday, May 3 (Stolk, Kimes)

Commission Meetings

Thursday, March 2

Thursday, April 6

Thursday, May 4

Wednesday, May 31
No July Meeting

Thursday, June 1
No July Meeting

Meeting Adjourned

With all agenda items covered, the meeting adjourned at 10:54 a.m.

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

3-2-17
Date


By: Terry Duggan, Chair

Iowa Real Estate Commission Staff Report (For December 2016) February 2, 2017 IREC Meeting

LICENSING TOTALS:

	Firms	Brokers		Salespeople		TOTAL LICENSEES
		Active	Inactive	Active	Inactive	
December 2016	1,281	3,410	490	5,981	1,539	11,420
December 2015	1,251	3,411	499	5,730	1,494	11,134

EXAMINATIONS ADMINISTERED BY PSI:

	<u>December</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Broker	40	298	324	315	281	207	245
Salesperson	116	1,796	1,638	1,501	1,212	952	781

BROKERS & SALESPERSONS PROCESSED APPLICATIONS:

	<u>December</u>	<u>Year To Date</u>
2008		861
2009		531
2010		604
2011		562
2012		625
2013		835
2014		845
2015		972
2016	113	1,031

BACKGROUND CHECKS:

Year to Date average turnaround time is 26 days.

AUDITS:

	<u>December</u>	<u>Year To Date Totals</u>
Continuing Education	-	493
E & O	-	401
Trust Account	27	319

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	23.44%	4.7%

INVESTIGATIONS/CONTESTED CASE HEARINGS/DISCIPLINARY ACTION:

	<u>December</u>	<u>Year To Date Totals</u>
Complaint Cases Opened	28	392
Final Case Disposition	20	351
Signed Informal Settlement Agreements	13	150
Signed Applicant Consent Agreements	1	29
Signed Cease and Desist by Consent Agreement	-	4
Formal Hearings	-	2
License Denials	-	-
Civil Penalties Assessed	-	\$164,000
Continuing Education Hours Assessed	-	272
CPA Audits Assessed	-	1
Trust Account Reexaminations Assessed	-	6
Probations Assessed	-	1
Suspensions Assessed	-	-
Revocations/Voluntary Surrenders	-	2
Statement of Charges Filed (Outstanding)	-	9

REAL ESTATE EDUCATION REPORT:

	<u>December</u>	<u>Year To Date Totals</u>
Course Approvals	45	262
Instructor Approvals	3	82
Provider Approvals	-	17
Post Course Approvals	10	54
Prior Course Approvals	-	40
Denied Courses	1	18

RENEWALS FOR LICENSEES EXPIRING ON 12/31/16:

Licenses up for Renewal	4,346		
Licenses Renewed	3,346	Renewed Online	3,158
Licenses Lapsed/Expired	1,000		

Iowa Real Estate Commission Staff Report (For January 2017) February 2, 2017 IREC Meeting

LICENSING TOTALS:

	Firms	Brokers		Salespeople		<u>TOTAL LICENSEES</u>
		Active	Inactive	Active	Inactive	
January 2017	1,287	3,416	498	5,996	1,584	11,494
January 2016	1,265	3,416	519	5,748	1,584	11,267

EXAMINATIONS ADMINISTERED BY PSI:

	<u>January</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Broker	-	-	298	324	315	281	207
Salesperson	-	-	1,796	1,638	1,501	1,212	952

BROKERS & SALESPERSONS PROCESSED APPLICATIONS:

	<u>January</u>	<u>Year To Date</u>
2009		531
2010		604
2011		562
2012		625
2013		835
2014		845
2015		972
2016		1,031
2017	108	108

BACKGROUND CHECKS:

Year to Date average turnaround time is 26 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>
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	23.44%	4.7%
2017	-	-

INVESTIGATIONS/CONTESTED CASE HEARINGS/DISCIPLINARY ACTION:

	<u>January</u>	<u>Year To Date Totals</u>
Complaint Cases Opened	21	21
Final Case Disposition	5	5
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)	-	8

REAL ESTATE EDUCATION REPORT:

	<u>January</u>	<u>Year To Date Totals</u>
Course Approvals	83	83
Instructor Approvals	2	2
Provider Approvals	-	-
Post Course Approvals	5	5
Prior Course Approvals	3	3
Denied Courses	1	1