

Iowa Real Estate Commission  
200 East Grand, Suite 350  
Des Moines, IA 50309  
MINUTES  
April 6, 2017

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

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

**Commissioners not present**

Jan DeMott

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

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

**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**

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

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

Seconded by Kimes.

VOTE: Aye: All                      Nay: None                      Abstaining: None

Motion passed unanimously.

**Approval of Minutes**

**Motion by Goede to approve the open session and the closed session March 2, 2017 IREC meeting minutes.**

Seconded by Stolk.

VOTE: Aye: All                      Nay: None                      Abstaining: None

Motion passed unanimously.

**Commissioner Reports**

None

**Staff Reports**

Lundquist reported that there were two hearings scheduled for today but both resulted in informal settlement agreements that are on the agenda and the Commission will consider for approval at today's meeting. Lundquist also reported that the legislative session is progressing and will be adjourning here in the near future.

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 commended Lundquist's hard work in reaching settlement agreements for the hearings scheduled today. Evans congratulated DeMott, Kimes, and Telford on their reappointments to the Iowa Real Estate Commission. The announcement of two new appointees will be released after May 1, 2017 as interim appointments until the Senate confirmation later date. Evans noted there is progress with the continued work with Vertiba on the implementation of the new PLB licensing system. Evans commended Jill Simbro and Lori SchraderBachar for their work on the project.

#### **Real Estate Errors and Omission Insurance Group Program Contract Extension**

After discussion, **Motion by Stolk to extend the real estate errors and omissions program contract from Rice Insurance Services Company, LLC for one year, January 1, 2018 – January 1, 2019 policy period, at the current premium rate of \$148 per licensee.**

Seconded by Kimes.

VOTE: Aye: All                      Nay: None                      Abstaining: None

Motion passed unanimously.

#### **Reciprocity Agreement**

Discussion was held regarding the West Virginia Real Estate Commission cancelling their reciprocity agreement with all states, including Iowa, effective April 1, 2017.

#### **Communications**

After discussion, **Motion by Telford to grant waiver 17-03.** The petitioner, who is a licensed salesperson in the state of Iowa with the license currently on inactive status, 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 having an infant child, along with the distance to the nearest course location as issues on why she is unable to attend continuing education classes in a classroom setting at this time.

Seconded by Stolk.

VOTE: Aye: All                      Nay: None                      Abstaining: None

Motion passed unanimously.

#### **2017 Proposed Legislation**

Discussion was held re: House File 541, an Act relating to real estate professionals and real estate disclosure statements. The bill passed the Iowa House on March 27th, 98-0 and the Iowa Senate on April 5th, 50-0. Lundquist and Evans led the discussion and explained the updated changes to the Commission and that it will be effective July 1<sup>st</sup>, assuming the Governor signs the bill.

#### **Public Comment**

McLaughlin acknowledged the amount of time and work of many people that was spent on the proposed legislation and is pleased with the progress of the bill.

#### **Presentation to Outgoing Commission Member John Goede**

Goede was presented with a plaque by Chair Duggan to recognize his years of service and commitment to the Commission. Goede served on the Commission from June 26, 2012 through April 30, 2017. Cake was served and a group picture was taken.

Lundquist and Malek left the room at 9:44 a.m.

**Closed Session (1)**

**Motion by Telford to enter into closed session pursuant to Iowa Code §§ 21.5(1) (a), 21.5(1) (f) and 272C.6 (4), to discuss the decision to be rendered in a contested case.**

Seconded by Stolk.

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

Motion passed unanimously.

The Commission entered into closed session at 9:45 a.m. and arose from there at 9:47 a.m.

**Open Session (1)**

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

Seconded by Goede

VOTE: Aye: All                      Nay: None                      Abstaining: None

Motion passed unanimously.

Lundquist and Malek rejoined the meeting at 9:48 a.m.

**Motion by Telford to accept the Findings of Fact, Conclusions of Law, Decision and Order in IREC Case No. 16-296.**

Seconded by Stolk.

VOTE: Aye: All                      Nay: None                      Abstaining: None

Motion passed unanimously.

**Closed Session (2)**

**Motion by Telford 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 Stolk.

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

Motion passed unanimously.

The Commission entered into closed session at 9:50 am and arose from there at 11:09 am.

**Open Session (2)**

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

Seconded by Goede.

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: 16-025, 16-184, 16-185, 16-241, 16-261, 16-285, 16-309 and 16-317.**

Seconded by Stolk.

VOTE: Aye: All                      Nay: None                      Abstaining: None

Motion passed unanimously.

**Motion by Goede to find probable cause 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 agreement for IREC Case No. 17-064.**

Seconded by Stolk.

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. 17-020 and IREC Case No. 17-052.**

Seconded by Goede.

VOTE: Aye: All                      Nay: None              Abstaining: None

Motion passed unanimously.

**Motion by Telford to grant licensure for IREC Case No. 17-083 and IREC Case No. 17-091.**

Seconded by Kimes.

VOTE: Aye: All                      Nay: None              Abstaining: None

Motion passed unanimously.

**Motion by Stolk to find probable cause for the following cases: 16-150, 16-211, 16-219, 16-223, 16-244, 16-247, 17-014, 17-015, 17-030, 17-037, 17-038, 17-040, 17-041, 17-042, 17-043, 17-045, 17-053, 17-059, 17-061, 17-062, 17-065, 17-071 and 17-097 as discussed in closed session.**

Seconded by Goede.

VOTE: Aye: All                      Nay: None              Abstaining: None

Motion passed unanimously.

**Motion by Kimes to close the following cases: 17-031, 17-032, 17-039, 17-056 and 17-086 as discussed in closed session.**

Seconded by Telford.

VOTE: Aye: All                      Nay: None              Abstaining: None

Motion passed unanimously.

**Motion by Telford to rescind the probable cause finding and close IREC Case No. 15-333 as discussed in closed session.**

Seconded by Stolk.

VOTE: Aye: All                      Nay: None              Abstaining: None

Motion passed.

Discussion was held re: IREC Case No. 16-273 and the allegations of the unlicensed practice of real estate.

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

Seconded by Kimes.

VOTE: Aye: All                      Nay: None              Abstaining: None

Motion passed unanimously.

Discussion was held re: IREC Case No. 16-366 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. 16-367 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. 16-394 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. 16-395 and the allegations of the unlicensed practice of real estate. It was determined that the file will be tabled to a future meeting.

**Future Meeting Dates**

Future IREC meetings are tentatively scheduled as follows:

**Investigation Committee**

Wednesday, May 3 (Stolk, DeMott)  
Wednesday, May 31 (Duggan, TBD)  
No July Meeting  
Wednesday, August 2 (Kimes, Duggan)  
Wednesday, September 6  
Wednesday, October 4  
Wednesday, November 1  
Wednesday, December 6  
No January Meeting

**Commission Meetings**

Thursday, May 4  
Thursday, June 1  
No July Meeting  
Thursday, August 3  
Thursday, September 7  
Thursday, October 5  
Thursday, November 2  
Thursday, December 7  
No January Meeting

**Meeting Adjourned**

With all agenda items covered, the meeting adjourned at 11:25 am.

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

5-4-17  
Date

  
By: Terry Duggan, Chair

**Iowa Real Estate Commission  
 Staff Report (For March 2017)  
 April 6, 2017 IREC Meeting**

**LICENSING TOTALS:**

	<u>Firms</u>	<u>Brokers</u>		<u>Salespeople</u>		<u>TOTAL IND. LICENSEES</u>
		<u>Active</u>	<u>Inactive</u>	<u>Active</u>	<u>Inactive</u>	
March 2017	1,273	3,353	394	5,957	1,183	10,887
March 2016	1,254	3,360	406	5,757	1,200	10,723

**EXAMINATIONS ADMINISTERED BY PSI:**

	<u>February</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Broker	21	35	298	324	315	281	207
Salesperson	161	324	1,796	1,638	1,501	1,212	952

**BROKERS & SALESPERSONS PROCESSED APPLICATIONS:**

	<u>March</u>	<u>Year To Date</u>
2009		531
2010		604
2011		562
2012		625
2013		835
2014		845
2015		972
2016		1,031
2017	54	235

**BACKGROUND CHECKS:**

Year to Date average turnaround time is 24 days.

**AUDITS:**

	<u>March</u>	<u>Year To Date Totals</u>
Continuing Education	-	50
E & O	32	76
Trust Account	25	82

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

<u>Year</u>	<u>E&amp;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	15.79%	0%

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

	<u>March</u>	<u>Year To Date Totals</u>
Complaint Cases Opened	43	91
Final Case Disposition	32	72
Signed Informal Settlement Agreements	6	21
Signed Applicant Consent Agreements	1	3
Signed Cease and Desist by Consent Agreement	1	2
Formal Hearings	1	1
License Denials	-	-
Civil Penalties Assessed	-	\$30,250
Continuing Education Hours Assessed	-	48
CPA Audits Assessed	-	1
Trust Account Reexaminations Assessed	-	-
Probations Assessed	-	-
Suspensions Assessed	-	1
Revocations/Voluntary Surrenders	-	-
Statement of Charges Filed (Outstanding)	-	9

**REAL ESTATE EDUCATION REPORT:**

	<u>March</u>	<u>Year To Date Totals</u>
Course Approvals	45	192
Instructor Approvals	7	17
Provider Approvals	-	4
Post Course Approvals	4	13
Prior Course Approvals	1	4
Denied Courses	-	1