

Iowa Real Estate Commission
200 East Grand, Suite 350
Des Moines, IA 50309
MINUTES
August 3, 2017

Commissioners present for all or part of the meeting

Terry Duggan, Chair	Elizabeth Hansen
Dennis Stolk, Vice Chair	Helen Kimes
Jan DeMott	Michael Telford

Staff present for all or part of the meeting

Jeff Evans, Executive Officer	John Lundquist, Assistant Attorney General
Jill Simbro, Education Director	Sandy Malek, Investigator
Colleen Goddard, Trust Account Auditor	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, IAR	Julie Reeves, Coldwell-Banker
Amanda Nagle, Iowa Association of Realtors, IAR	Kasey Steen, Coldwell-Banker

Call to Order

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

Introductions were made.

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 Stolk to approve the open session and the closed session June 1, 2017 IREC meeting minutes.

Seconded by Hansen.

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Motion by DeMott to approve the open session and the closed session June 30, 2017 IREC meeting minutes.

Seconded by Kimes.

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Commissioner Reports

None.

Staff Reports

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 advised that effective July 31, 2017, meals will no longer be reimbursed unless an overnight stay is required for Commission meetings. The Bureau continues to make progress working with Vertiba to hopefully have the new PLB licensing system operational and live in September. Rule changes to chapters 3, 4, and 5 of Administrative Code 193E will become effective September 6, 2017. Rule changes for chapter 7, 16, and 17 have been noticed. Evans mentioned the Licensing Specialist position is open and the Commission is once again, short staffed with the current staff all chipping in to absorb the workload.

ARELLO

After discussion, motion by Telford for the Commission to approve Malek and Goddard to attend the 2017 Investigator Workshop in Portland, OR from October 17 – 19, 2017

Seconded by Kimes.

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Communications

After discussion, **Motion by Telford to grant waiver 17-05.** The petitioner, who is a licensed broker associate 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. The petitioner does not want to obtain a broker license in Iowa and wishes to be licensed as a salesperson in Iowa.

Seconded by Kimes.

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

After discussion, **Motion by Telford to grant waiver 17-06.** Julie Reeves, petitioner, spoke to the Commission and provided details of her experience in a wide variety of roles in working in real estate for the past 30 years. Kasey Steen, general counsel for Coldwell Banker, also attested to the petitioner's experience, along with her ability to hold a broker license in the state of Iowa. Reeves, who became licensed as an Iowa real estate salesperson on June 9, 2017, 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 Hansen.

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Public Comment

McLaughlin introduced Amanda Nagle, as the Director of Professional Development of IAR. Nagle gave a little background on herself and stated that she is looking forward to continuing to work with the Commission. McLaughlin reported the Iowa Association of Realtors (IAR) Annual State Convention is being held in Coralville, Iowa from September 12 – 15, 2017.

Closed Session (1)

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 Telford.

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

Motion passed unanimously.

The Commission entered into closed session at 9:34 a.m. and arose from there at 10:55 a.m.

Open Session (1)

Motion by Stolk to return to open session.

Seconded by Kimes.

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) and 21.5(1)(d) to discuss communication received re: IREC Case No. 16-309.

Seconded by Stolk.

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

Motion passed unanimously.

The Commission entered into closed session at 10:57 a.m. and arose from there at 11:13 a.m.

Open Session

Motion by Telford to return to open session.

Seconded by Stolk.

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Motion by Telford to deny the Respondent's request for additional time to comply with a Consent Order as discussed in closed session for IREC Case No. 16-309.

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: 16-203, 16-283, 16-344, 17-003, 17-036, 17-041, 17-042, 17-084, 17-085, 17-096, 17-113 and 17-119.

Seconded by DeMott.

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Motion by Hansen 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. 17-120, 17-121, 17-122, 17-140, 17-151, 17-161, 17-163 and 17-168.

Seconded by Stolk.

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Motion by Kimes to grant licensure for IREC Case No. 17-155.

Seconded by DeMott.

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Motion by Hanson to issue a "Notice of Intent to Deny License" for IREC Case No. 17-190.

Seconded by Kimes.

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Motion by Stolk to find probable cause for the following cases: 17-108, 17-112, 17-129, 17-130, 17-137, 17-138, 17-144, 17-146, 17-156, 17-157, 17-165, 17-171, 17-178, 17-179, 17-188 and 17-189 as discussed in closed session.

Seconded by Hanson.

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Motion by Stolk to find probable cause for IREC Case No. 16-374 as discussed in closed session.

Seconded by Hansen.

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

Motion passed.

Motion by Stolk to find probable cause for IREC Case No. 17-166 and IREC Case No. 17-167 as discussed in closed session.

Seconded by Hansen.

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

Motion passed.

Motion by DeMott to close the following cases: 17-117, 17-131, 17-139 and 17-180 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. 17-184.

Seconded by Stolk.

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Discussion was held re: IREC Case No. 16-394 and the allegations of the unlicensed practice of real estate.

Motion by Telford to close the file.

Seconded by Kimes.

VOTE: Aye: Demott, Hansen, Kimes, Stolk, Telford Nay: None Abstaining: Duggan

Motion passed.

Discussion was held re: IREC Case No. 16-395 and the allegations of the unlicensed practice of real estate.

Motion by Kimes to close the file.

Seconded by Hansen.

VOTE: Aye: Demott, Hansen, Kimes, Stolk, Telford Nay: None Abstaining: Duggan

Motion passed.

Discussion was held re: IREC Case No. 17-147 and the allegations of the unlicensed practice of real estate.

Motion by Telford to find probable cause.

Seconded by Kimes.

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Discussion was held re: IREC Case No. 17-153 and the allegations of the unlicensed practice of real estate.

Motion by Stolk to close the file.

Seconded by Telford.

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Future Meeting Dates

Future IREC meetings are tentatively scheduled as follows:

Investigation Committee

- Wednesday, September 6 (Telford, Hansen)
- Wednesday, October 4 (Stolk, DeMott)
- Wednesday, November 1 (Kimes, Duggan)
- Wednesday, December 6
- No January Meeting

Commission Meetings

- 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 11:33 am.

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

9-7-17

Date


By: **TERRANCE M. DUGGAN**, Chair

**Iowa Real Estate Commission
 Staff Report (For June 2017)
 August 3, 2017 IREC Meeting**

LICENSING TOTALS:

	Firms	Brokers		Salespeople		TOTAL IND. LICENSEES
		Active	Inactive	Active	Inactive	
June 2016	1,267	3,406	406	5,993	1,224	11,029
June 2017	1,289	3,399	397	6,173	1,223	11,192

EXAMINATIONS ADMINISTERED BY PSI:

	<u>May</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Broker	23	113	298	324	315	281	207
Salesperson	195	897	1,796	1,638	1,501	1,212	952

BROKERS & SALESPERSONS PROCESSED APPLICATIONS:

	<u>June</u>	<u>Year To Date</u>
2009		531
2010		604
2011		562
2012		625
2013		835
2014		845
2015		972
2016		1,031
2017	79	578

BACKGROUND CHECKS:

Year to Date average turnaround time is 20 days.

AUDITS:

	<u>June</u>	<u>Year To Date Totals</u>
Continuing Education	50	208
E & O	36	207
Trust Account	30	163

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	17.39%	2.9%

INVESTIGATIONS/CONTESTED CASE HEARINGS/DISCIPLINARY ACTION:

	<u>June</u>	<u>Year To Date Totals</u>
Complaint Cases Opened	34	179
Final Case Disposition	32	163
Signed Informal Settlement Agreements	10	55
Signed Applicant Consent Agreements	3	11
Signed Cease and Desist by Consent Agreement	-	2
Formal Hearings	-	1
License Denials	-	1
Civil Penalties Assessed	-	\$70,800
Continuing Education Hours Assessed	-	112
CPA Audits Assessed	-	3
Trust Account Reexaminations Assessed	-	2
Probations Assessed	-	1
Suspensions Assessed	-	2
Revocations/Voluntary Surrenders	-	-
Statement of Charges Filed (Outstanding)	-	10

REAL ESTATE EDUCATION REPORT:

	<u>June</u>	<u>Year To Date Totals</u>
Course Approvals	46	298
Instructor Approvals	1	26
Provider Approvals	2	8
Post Course Approvals	6	29
Prior Course Approvals	15	20
Denied Courses	2	7

**Iowa Real Estate Commission
 Staff Report (For July 2017)
 August 3, 2017 IREC Meeting**

LICENSING TOTALS:

	Firms	<u>Brokers</u>		<u>Salespeople</u>		<u>TOTAL IND. LICENSEES</u>
		Active	Inactive	Active	Inactive	
July 2016	1,269	3,417	409	6,004	1,249	11,079
July 2017	1,299	3,413	401	6,225	1,242	11,281

EXAMINATIONS ADMINISTERED BY PSI:

	<u>June</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Broker	25	138	298	324	315	281	207
Salesperson	163	1,060	1,796	1,638	1,501	1,212	952

BROKERS & SALESPERSONS PROCESSED APPLICATIONS:

	<u>July</u>	<u>Year To Date</u>
2009		531
2010		604
2011		562
2012		625
2013		835
2014		845
2015		972
2016		1,031
2017	98	676

BACKGROUND CHECKS:

Year to Date average turnaround time is 20 days.

AUDITS:

	<u>July</u>	<u>Year To Date Totals</u>
Continuing Education	0	208
E & O	0	207
Trust Account	35	199

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	17.87%	2.9%

INVESTIGATIONS/CONTESTED CASE HEARINGS/DISCIPLINARY ACTION:

	<u>July</u>	<u>Year To Date Totals</u>
Complaint Cases Opened	13	192
Final Case Disposition	1	164
Signed Informal Settlement Agreements	-	55
Signed Applicant Consent Agreements	-	11
Signed Cease and Desist by Consent Agreement	-	2
Formal Hearings	-	1
License Denials	-	1
Civil Penalties Assessed	-	\$70,800
Continuing Education Hours Assessed	-	112
CPA Audits Assessed	-	3
Trust Account Reexaminations Assessed	-	2
Probations Assessed	-	1
Suspensions Assessed	-	2
Revocations/Voluntary Surrenders	-	-
Statement of Charges Filed (Outstanding)	-	10

REAL ESTATE EDUCATION REPORT:

	<u>July</u>	<u>Year To Date Totals</u>
Course Approvals	62	360
Instructor Approvals	1	27
Provider Approvals	1	9
Post Course Approvals	3	32
Prior Course Approvals	8	28
Denied Courses	2	9