

Iowa Real Estate Commission
200 East Grand, Suite 350
Des Moines, IA 50309
MINUTES
May 2, 2019

Commissioners present for all or part of the meeting

Terry Duggan, Chair	Twee Duong
Dennis Stolk, Vice Chair	Helen Kimes
Jim Clingman	Michael Telford

Commissioners not present for the meeting

Jan DeMott

Staff present for all or part of the meeting

Jeff Evans, Executive Officer	John Lundquist, Assistant Attorney General
Renee Paulson, PLB Investigator	Tracy Lindgren, Background Coordinator
Colleen Goddard, Trust Account Auditor	Ashley Thompson, Licensing Specialist

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

Paul McLaughlin, Iowa Association of Realtors
Shannon Thompson, Ambrose & Boyd Realtors

Call to Order

Duggan called the meeting to order at 9:04 a.m.
Quorum was established.
Introductions were made.

Motion by Clingman to approve the agenda.

Seconded by Stolk.

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Election of Officers

Motion by Stolk to nominate Duggan as Chairman of the Commission.

Seconded by Kimes.

VOTE: Aye: Clingman, Duong, Kimes, Stolk, and Telford. Nay: None Abstaining: Duggan

Motion passed.

Motion by Telford to nominate Stolk as Vice-Chairman of the Commission.

Seconded by Clingman.

VOTE: Aye: Clingman, Duggan, Duong, Kimes, and Telford. Nay: None Abstaining: Stolk

Motion passed.

Approval of Minutes

Motion by Telford to approve the open and closed sessions of the March 7, 2019 IREC meeting minutes.

Seconded by Clingman

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Commissioner Reports

Duggan and Stolk reported on their attendance at the 2019 Mid-Year Meeting on April 10 – 13, 2019 in Salt Lake City, Utah. Both Duggan and Stolk found that many of the jurisdictions that participated in the meeting are facing similar challenges that Iowa and the Iowa Real Estate Commission is facing.

Duong introduced herself and gave a brief background about herself and her current career path.

Staff Reports

Lundquist reported on his attendance at the 2019 Mid-Year Meeting on April 10 – 13, 2019 in Salt Lake City, Utah.

Evans reminded the Commissioners that if they expect to be reimbursed for travel expenses, original and itemized receipts would need to be submitted to staff. Evans introduced new Commissioner, Tweek Duong, whose first term will be through April 30, 2021. Evans announced Stolk's reappointment to his third and last term, which will expire on April 30, 2022. Evans announced that Renee Paulson, who had previously worked as a licensing specialist and background coordinator for the Commission, has accepted the PLB Investigator position. Evans also announced Lindgren's resignation with PLB and thanked her for her time and service with the IREC.

Real Estate Errors and Omission Insurance Group Program Contract Extended

Motion by Telford to extend the real estate errors and omissions program contract for one year at the current premium rate of \$148 per licensee.

Seconded by Kimes.

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Communications

After discussion, **Motion by Telford to approve waiver 19-03 with the condition that said waiver shall expire September 24, 2020 in the absence of the submission of a broker application from waiver petitioner Shannon Thompson.** The petitioner, making a personal appearance, addressed the Commission seeking to waive 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. Thompson, who has been licensed as a salesperson since September 2018 and is also a licensed attorney, stated that it was her intentions to open a commercial property management brokerage and is not intending on selling real estate at this time.

Seconded by Kimes.

VOTE: Aye: Duggan, Duong, Kimes, Stolk, Telford Nay: Clingman Abstaining: None

Motion passed.

After discussion, **Motion by Stolk to grant waiver 19-04.** The petitioner, who is a licensed attorney in Iowa since 2014, asked the Commission for a waiver of 193E Iowa Administrative Code §§ 4.1(9) & 16.2(1) and the requirement that a newly licensed salesperson complete the required sixty (60) classroom or computer-based hours of real estate principles and practices. Iowa Code § 543B.15(8) requires that a salesperson applicant complete at least thirty hours of real estate education during the

twelve months prior to taking the salesperson examination, consequently, the Commission does require that at the time of the application for licensure, the Petitioner provide evidence of completion of 12 hours of Developing Professionalism and Ethical Practices, 12 hours of Buying Practices, and 12 hours of Listing Practices. If the petitioner has not obtained a passing score report on the real estate salesperson examination or before November 30, 2019, this waiver shall expire and will be deemed withdrawn.

Seconded by DeMott. Seconded by Kimes.

VOTE: Aye: Duggan, Duong, Kimes, Stolk, Telford Nay: Clingman Abstaining: None
Motion passed.

2019 Legislation Update

Evans reported on HF288, which was signed by the Governor on March 22, 2019, requiring professional licensing boards under 272C to implement procedures for expedited licensing of military spouses with professional license in other state with substantially similar licensing requirements.

Lundquist reported on SF 304, which was signed by the Governor on April 8, 2019, requiring licensing boards to adopt rules that prohibit suspending the professional license of an individual who is in default or delinquent of repayment of a federal or state postsecondary educational loan.

ARELLO

Evans reported on his attendance at the 2019 Mid-Year Meeting on April 10-13, 2019 in Salt Lake City, Utah. Evans is a member of the Finance and Membership Committees.

Public Comment

McLaughlin reported that the Iowa Association of Realtor's open house is scheduled to be held in October 2019. McLaughlin also reported on several bills that IAR is tracking and will continue to update the Commission as needed. McLaughlin also report that the IAR Summer Meetings are being held June 12 – 14 in Carroll, Iowa.

The meeting broke at 10:03 a.m. and reconvened at 10:13 a.m.

Closed Session

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 Kimes.

VOTE: Roll call: Clingman, aye; Duggan, aye; Duong, aye; Kimes, aye; Stolk, aye; and Telford, aye.
Motion passed unanimously.

The Commission entered into closed session at 10:15 a.m. and arose from there at 10:55 a.m.

Open Session

Motion by Telford to return to open session.

Seconded by Kimes.

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

Motion by Stolk to accept the signed settlement and/or consent agreement for the case discussed in closed session and to authorize Duggan (Chair), Stok (Vice Chair), or Evans (Executive Officer) to sign the accepted, signed Settlement Agreement/Consent Agreement for IREC Case Nos. 10-201, 17-199, 18-088, 18-218, 19-009, 19-010, 19-036, 19-037, 19-045, and 19-046.

Seconded by Clingman.

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Motion by Kimes to find probable cause for the case discussed in closed session and to authorize Duggan (Chair), Stok (Vice Chair), or Evans (Executive Officer) to sign the accepted, signed Settlement Agreement for IREC Case Nos. 18-165 and 18-250.

Seconded by Telford.

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Motion by Telford to grant licensure for IREC Case Nos. 19-072 and 19-076.

Seconded by Stolk.

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Motion by Duggan 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. 19-056.

Seconded by Clingman

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Motion by Kimes to find probable cause for the following cases: 18-229, 19-049, 19-050, 19-070, 19-075, 19-078, 19-081, 19-083 and 19-085 as discussed in closed session.

Seconded by Clingman

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Motion by Duong to close IREC Case No. 19-069 as discussed in closed session.

Seconded by Clingman.

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Motion by Clingman to accept the signed consent agreement and to authorize Duggan (Chair), Stolk (Vice Chair), or Evans (Executive Officer) to sign the accepted, signed Cease and Desist Orders by Consent Agreement for IREC case No. 18-087.

Seconded by Telford.

VOTE: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Future Meetings

Future IREC meetings are tentatively scheduled as follows:

Investigation Committee

Wednesday, June 5
No July Meeting
Wednesday, July 31
Wednesday, September 4
Wednesday, October 2
Wednesday, November 6
Wednesday, December 4

Commission Meetings

Thursday, June 6
No July Meeting
Thursday, August 1
Thursday, September 5
Thursday, October 3
Thursday, November 7
Thursday, December 5

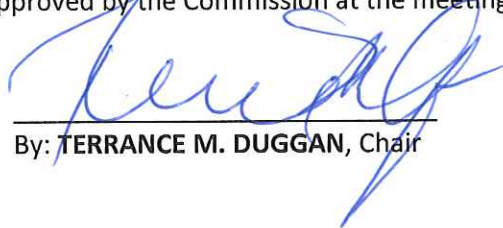
Meeting Adjourned

With all agenda items covered, the meeting adjourned at 11:07 a.m.

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

6-6-19

Date


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

**Iowa Real Estate Commission
 Staff Report – As of 04/01/19
 May 2, 2019 IREC Meeting**

LICENSING TOTALS:

	<u>Salespersons</u>	<u>Brokers</u>	<u>TOTAL IND. LICENSES</u>	<u>FIRMS</u>
Active	6,607	3,037		
Inactive	1,272	343		
Suspended	13	20		
TOTAL	7,892	3,400	11,292	1,102

EXAMINATIONS ADMINISTERED BY PSI:

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Broker	58	296	296	298	324	315
Salesperson	721	2,040	2,091	1,796	1,638	1,501

BROKERS & SALESPERSONS PROCESSED APPLICATIONS:

	<u>Year To Date</u>
2011	562
2012	625
2013	835
2014	845
2015	972
2016	1,031
2017	978
2018	1,035
2019	383

	<u>Salespersons</u>	<u>Brokers</u>	<u>TOTAL SALESPERSON & BROKER LICENSES ISSUED (YTD 2019)</u>
Exam	327	22	
Rule 5.3	25	4	
Reciprocity	5	-	
TOTAL	357	26	383

TOTAL FINGERPRINTS SUBMITTED TO FBI & DCI

<u>Turnaround Time (Days)</u>		<u>2019</u>
Minimum	7	Total Processed 467
Maximum	89	
Average	18	

AUDITS:

	<u>Year To Date Totals</u>
Continuing Education	26
E & O	79
Trust Account	94

PERCENTAGE OF NONCOMPLIANCE FOR E&O AND CE AUDITS:

<u>Year</u>	<u>E&O</u>	<u>Continuing Education</u>
2013	11%	3%
2014	4.8%	1.8%
2015	15.9%	3.2%
2016	23.44%	4.7%
2017	17.87%	2.9%
2018	4.16%	0.59%
2019	1.27%	1.19%

INVESTIGATIONS/CONTESTED CASE HEARINGS/DISCIPLINARY ACTION:

	<u>Year To Date Totals</u>
Complaint Cases Opened YTD	78

Commission Action:

Closed	5
Closed and Granted License	5
Closed with Informal Cautionary Letter	1
Signed Informal Settlement Agreements	6
Signed Applicant Consent Agreements	6
Signed Cease and Desist by Consent Agreement	2
Statement of Charges Filed	-
License Denials	-
Formal Hearings	-
Total	25

IREC Staff Action:

Closed	15
License Suspension	1
Total	16
Complaint Cases Closed YTD	41
Average Amount Of Time (Open To Close)	110 Days

Disciplinary Action Totals:

Civil Penalties Assessed	\$ 13,000
Continuing Education Hours Assessed	24
CPA Audits Assessed	-
Trust Account Reexaminations Assessed	2
Probations Assessed	1
Suspensions Assessed	-
Revocations/Voluntary Surrenders	-
Statement of Charges Filed (Outstanding)	-

REAL ESTATE EDUCATION REPORT:

	<u>Year To Date Totals</u>
Course Approvals (New/Renewed)	231
Instructor Approvals (New/Renewed)	54
Provider Approvals (New/Renewed)	6
Pre/Post Course Approvals	7
Denied Courses	-

IREC APPLICATIONS PROCESSED (2019):

