

Iowa Real Estate Commission  
200 East Grand, Suite 350  
Des Moines, IA 50309  
MINUTES  
June 11, 2020  
9:00 a.m.

The meeting was conducted via Zoom because of the public health recommendations to minimize public gatherings. Public access to this meeting was made available through Zoom.

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

Terry Duggan, Chair	Twee Duong
Dennis Stolk, Vice Chair	Jan DeMott
Wendy Carminhato	Helen Kimes
Jim Clingman	

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

Jeff Evans, Executive Officer	Lori SchraderBachar, PLB Site Manager
John Lundquist, Assistant Attorney General	Danielle Bartkiw, Licensing Specialist
Renee Paulsen, PLB Investigator	Colleen Goddard, Trust Account Auditor
Ashley Thompson, Background Manager	

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

Amy Moss	Mike Heilman
Arthur Cox, UNI Director of Real Estate	

**Call to Order**

Duggan called the meeting to order at 9:06 a.m.  
Quorum was established.  
Introductions were made.

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

Seconded by Stolk.

Vote: Aye: All                      Nay: None                      Abstaining: None

Motion passed unanimously.

**Approval of Minutes**

**Motion by Kimes to approve the May 7, 2020 IREC Meeting open and closed session minutes and to authorize Executive Officer Evans to sign the minutes on behalf of the Commission.**

Seconded by Carminhato.

Vote: Aye: All                      Nay: None                      Abstaining: None

Motion passed unanimously.

**Commissioner Reports**

None.

**Staff Reports**

Lundquist had nothing to report.

SchraderBachar asked the Commission what input they had from the questions she raised in the May 7, 2020 meeting regarding IREC Overview and Evaluation.

Duggan expressed that in the eight years he has served on the Commission, the reports and overall performance by staff is better than ever before.

Kimes shared her appreciation for staff and complimented SchraderBachar for her efforts.

DeMott complimented Paulsen, Thompson, Goddard, and Evans' performance during the investigative meeting held June 10, 2020. DeMott reported the meetings are running as smooth as ever before.

Evans reminded the Commissioners to sign and return their per diems by the following week and thanked staff for their hard work. He informed the Commission that Accountancy and Architecture renewals were open currently and that staff is doing a great job with the heavy workload, along with having to work from home for the majority of their respective work weeks.

### **ARELLO**

**Motion by Kimes for the Commission to approve sending Evans, Lundquist, Commissioner Duggan, and Commissioner Stolk to the 2020 ARELLO Annual Conference.**

Seconded by DeMott.

Vote: Aye: Carminhato, Clingman, DeMott, Duong, Kimes    Nay: None    Abstaining: Duggan, Stolk  
Motion passed.

### **Communications**

After discussion, **Motion by Stolk to grant waiver 20-03.** 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. In support of his waiver, the petitioner provided proof that he has completed the following coursework: 12-hour "Developing Professionalism and Ethical Practices", 12-hour "Listing Practices", and 12-hour "Buying Practices." The Commission does require that at the time of the application for licensure, the Petitioner demonstrate that he meets all other licensing requirements, including payment of the applicable licensing fee. If the petitioner has not obtained a passing score report on the real estate salesperson examination or before December 31, 2020, this waiver shall expire and will be deemed withdrawn.

Seconded by Kimes.

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

Clingman left the meeting at 9:35 a.m.

After discussion, **Motion by Kimes to deny waiver 20-04.** The petitioner, who was a licensed real estate salesperson in the state of Iowa from October 14, 2010 through December 31, 2015, asked the Commission for a waiver of 193E Iowa Administrative Code § 4.6 and the requirement that a salesperson who fails to reinstate an expired license by December 31 of the third year following expiration shall start over in the licensing process. It was the Commission's determination that the petitioner failed to demonstrate that the Commission should exercise its discretion to grant a waiver from administrative code.

Seconded by DeMott.

Vote: Aye: Carminhato, DeMott, Duggan, Duong, Kimes, Stolk    Nay: None    Abstaining: Clingman  
Motion passed.

Clingman returned to the meeting at 9:40 a.m.

After discussion, **Motion by DeMott to grant waiver 20-05.** The petitioner, who is the director of the UNI real estate program curriculum that has been recognized and approved by the Commission, asked the Commission for a waiver of 193E Iowa Administrative Code §§ 4.1(9) & 16.2(1) and the requirement that a salesperson application complete the required sixty (60) classroom or computer-based hours of real estate principles and practices and the following live instruction courses: 12 hours of Developing Professionalism and Ethical Practices, 12 hours of Buying Practices and 12 hours of Listing Practices. In support of his waiver, the petitioner said that for the past twenty-five years he has taught relevant and approved real estate courses at the University of Northern Iowa. The petitioner also provided proof that in the past year he has taught 13 university credit hours directly or indirectly related to real estate education, which has equated to 195 classroom hours and 390 hours of class preparation. The Commission does require that at the time of the application for licensure, the Petitioner demonstrate that he meets all other licensing requirements, including payment of the applicable licensing fee. If the petitioner has not obtained a passing score report on the real estate salesperson examination or before December 31, 2020, this waiver shall expire and will be deemed withdrawn.

Seconded by Stolk.

Vote: Aye: All                      Nay: None                      Abstaining: None

Motion passed unanimously.

After discussion, **Motion by Clingman to grant waiver 20-06.** The petitioner is requesting a waiver of 193E Iowa Administrative Code § 4.3 and the requirement that a broker applicant must submit their exam score report not later than the last working day of the sixth calendar month following the qualifying real estate examination. The petitioner was unable to (re)take the national portion of the broker examination until May 15<sup>th</sup> as PSI temporarily closed their testing centers from March 19<sup>th</sup> until May 1<sup>st</sup>; in response to the public health emergency declaration due to COVID-19. The petitioner's State Exam Score Report expired during the time period that PSI was closed and before the petitioner was able to retake the National portion of exam.

Seconded by Stolk.

Vote: Aye: All                      Nay: None                      Abstaining: None

Motion passed unanimously.

After discussion, **Motion by DeMott to deny waiver 20-07.** The petitioner is requesting a waiver of 193E Iowa Administrative Code § 4.3 and the requirement to file with the commission a completed application as defined in 193E Iowa Administrative Code § 2.1. The petitioner failed to pay the license fee before the application expiration date of 03/20/20. It was the Commission's determination that the petitioner failed to demonstrate that the Commission should exercise its discretion to grant a waiver from administrative code.

Seconded by Kimes.

Vote: Aye: Carminhato, Clingman, DeMott, Kimes, Stolk    Nay: Duggan, Duong    Abstaining: None

Motion passed.

#### **RFP for Errors & Omissions Insurance Update**

Evans reported that a Request For Proposals (RFP) for the Real Estate Commission's group errors and omissions insurance program will be going out within the next month. The purpose of the RFP is to solicit proposals from qualified carriers and venders for the coverage and administration of the State's group errors and omissions insurance (professional liability) to be made available to all resident and non-resident active Iowa licensed real estate brokers, broker associates, salespersons, and firms

(corporations and partnerships). The State of Iowa seeks to establish a contract to guarantee limited cost coverage that will provide claims handling, investigation, computerized loss records, management information, setting of reserves and a method of claims payment.

The Commission intends to award a three (3) year contract, beginning on January 1, 2021, and ending on December 31, 2024, with up to three (3) additional one (1) year extensions at the sole discretion of the Commission.

**Accommodations Due to COVID-19**

**Motion by Stolk to approve the "Frequently Asked Questions about IREC licensing during the COVID-19 Pandemic and Emergency Proclamations in Iowa" document for distribution.**

Seconded by Clingman.

Vote: Aye: All                      Nay: None                      Abstaining: None

Motion passed unanimously.

**Public Comment**

Arthur Cox inquired as to whether the Board would allow the public to continue participating in meetings virtually once in-person meetings resumed. The Commissioners, along with staff, agreed that would be probable.

The Commission took a short break at 10:09 a.m. and reconvened at 10:20 a.m.

**Closed Session**

**Motion by Clingman to go into closed session pursuant to Iowa Code §§ 21.5(1)(a) & (d) & (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.

Roll Call: Carminhato, aye; Clingman, aye; DeMott, aye; Duggan, aye; Duong, aye; Kimes, aye; Stolk, aye.

Motion passed unanimously.

The Commission entered into closed session at 10:22 a.m. and arose from there at 12:35 p.m.

**Open Session**

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

Seconded by Kimes.

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 Agreements/Consent Agreements for the following cases: 17-179 and 18-215.**

Seconded by Stolk.

Vote: Aye: All                      Nay: None                      Abstaining: None

Motion passed.

**Motion by Stolk 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 Agreements/Consent Agreements for IREC Case No. 20-073.**

Seconded by Clingman.

Roll Call: Carminhato, aye; Clingman, aye; DeMott, aye; Duggan, aye; Duong, aye; Kimes, aye; Stolk, aye.  
Motion passed unanimously.

**Motion by Clingman to find probable cause and to authorize Evans (Executive Officer) to sign the accepted, signed Settlement Agreements for the following cases: 20-004, 20-085, and 20-095 as discussed in closed session.**

Seconded by Duong.

Vote: Aye: All                      Nay: None                      Abstaining: None

Motion passed unanimously.

**Motion by DeMott 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 the following cases: 20-121 and 20-125.**

Seconded by Stolk.

Vote: Aye: All                      Nay: None                      Abstaining: None

Motion passed unanimously.

**Motion by Clingman to find probable cause for the following cases: 19-043, 20-053, 20-057, 20-063, 20-100, 20-106, 20-112, 20-113, 20-117, and 20-127 as discussed in closed session.**

Seconded by Duong.

Vote: Aye: All                      Nay: None                      Abstaining: None

Motion passed unanimously.

**Motion by Kimes to close the following cases: 19-052, 19-092, 19-104, 19-112, 19-138, 19-139, 19-148, 19-157, 19-159, 19-166, 19-170, 20-039, 20-065, 20-066, and 20-076 as discussed in closed session.**

Seconded by Stolk.

Vote: Aye: All                      Nay: None                      Abstaining: None

Motion passed unanimously.

**Motion by Kimes to close IREC Case No. 19-184 as discussed in closed session.**

Seconded by Stolk.

Vote: Aye: Carminhato, DeMott, Duggan, Duong, Kimes, Stolk      Nay: None      Abstaining: Clingman.

Motion passed.

Discussion was held re: IREC Case No. 18-198 and the allegations of the unlicensed practice of real estate.

**Motion by Clingman to accept the signed consent agreement and to authorize Evans (Executive Officer) to sign the accepted, signed Cease and Desist Order by Consent Agreement.**

Seconded by DeMott.

Vote: Aye: All                      Nay: None                      Abstaining: None

Motion passed unanimously.

Discussion was held re: IREC Case No. 18-199 and the allegations of the unlicensed practice of real estate.

**Motion by Clingman to accept the signed consent agreement and to authorize Evans (Executive Officer) to sign the accepted, signed Cease and Desist Order by Consent Agreement.**

Seconded by Kimes.

Vote: Aye: All                      Nay: None                      Abstaining: None

Motion passed unanimously.

Discussion was held re: IREC Case No. 19-146 and the allegations of the unlicensed practice of real estate.

**Motion by Kimes to close.**

Seconded by DeMott.

Vote: Aye: All                      Nay: None                      Abstaining: None

Motion passed unanimously.

Discussion was held re: IREC Case No. 19-155 and the allegations of the unlicensed practice of real estate. No action taken as this complaint file will be tabled to a future meeting.

Discussion was held re: IREC Case No. 19-156 and the allegations of the unlicensed practice of real estate. No action taken as this complaint file will be tabled to a future meeting.

Discussion was held re: IREC Case No. 20-110 and the request for an individual seeking a prelicense determination.

**Motion by DeMott for staff to draft a letter for the individual seeking a prelicense determination.**

Seconded by Kimes.

Vote: Aye: All                      Nay: None                      Abstaining: None

Motion passed.

Discussion was held re: IREC Case No. 20-124 and the request for an individual seeking a prelicense determination.

**Motion by Clingman for staff to draft a letter for the individual seeking a prelicense determination.**

Seconded by Kimes.

Vote: Aye: All                      Nay: None                      Abstaining: None

Motion passed.

**Future Meetings**

**Investigation Committee Meetings**

No July Meeting  
Wednesday, August 5  
Wednesday, September 2  
Wednesday, September 30  
Wednesday, November 4  
Wednesday, December 2

**Regularly Scheduled Meetings**

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

**Meeting Adjourned**

With all agenda items covered, the meeting adjourned at 12:55 p.m.

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

August 6, 2020  
Date

TH M. L. FOR IREC  
By TERRANCE M. DUGGAN, Chair

**Iowa Real Estate Commission  
 Staff Report – As of 06/01/20  
 June 11, 2020 IREC Meeting**

**LICENSING TOTALS:**

	<u>Salespersons</u>	<u>Brokers</u>	<u>TOTAL IND. LICENSES</u>	<u>Firms</u>
Active	6,881	2,974		
Inactive	1,279	357		
Suspended	13	19		
<b>TOTAL</b>	<b>8,173</b>	<b>3,350</b>	<b>11,523</b>	<b>1,137</b>

**EXAMINATIONS ADMINISTERED BY PSI:**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Broker	96	267	296	296	298	324
Salesperson	1,020	2,280	2,040	2,091	1,796	1,638

**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	1,057
2020	492

	<u>Salespersons</u>	<u>Brokers</u>	<u>TOTAL SALESPERSON &amp; BROKER LICENSES ISSUED (YTD 2020)</u>
Exam	417	22	
Rule 5.3	39	5	
Reciprocity	7	2	
<b>TOTAL</b>	<b>463</b>	<b>29</b>	<b>492</b>

**TOTAL FINGERPRINTS SUBMITTED TO FBI & DCI**

<u>Turnaround Time (Days)</u>		<u>2020</u>
Minimum	2	Total Processed 502
Maximum	72	
Average (YTD 2020)	4	

**AUDITS:**

	<u>Year To Date Totals</u>
Continuing Education	115
E & O	168
Trust Account	214

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

<u>Year</u>	<u>E&amp;O</u>	<u>Continuing Education</u>
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	1.22%	3.37%
2020	7.48%	1.74%

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

	<u>Year To Date Totals</u>
Complaint Cases Opened YTD	127
<b><u>Commission Action:</u></b>	
Closed	33
Closed with Informal Cautionary Letter	10
Closed and Granted License	4
Signed Informal Settlement Agreements	22
Signed Applicant Consent Agreements	6
Signed Cease and Desist by Consent Agreement	-
Statement of Charges Filed	-
License Denials	1
Formal Hearings	-
Total	76
<b><u>IREC Staff Action:</u></b>	
Closed	27
License Suspension	-
Other	1
Total	<u>28</u>
Complaint Cases Closed YTD	104
Average Amount Of Time (Open To Close)	202 Days

**Disciplinary Action Totals:**

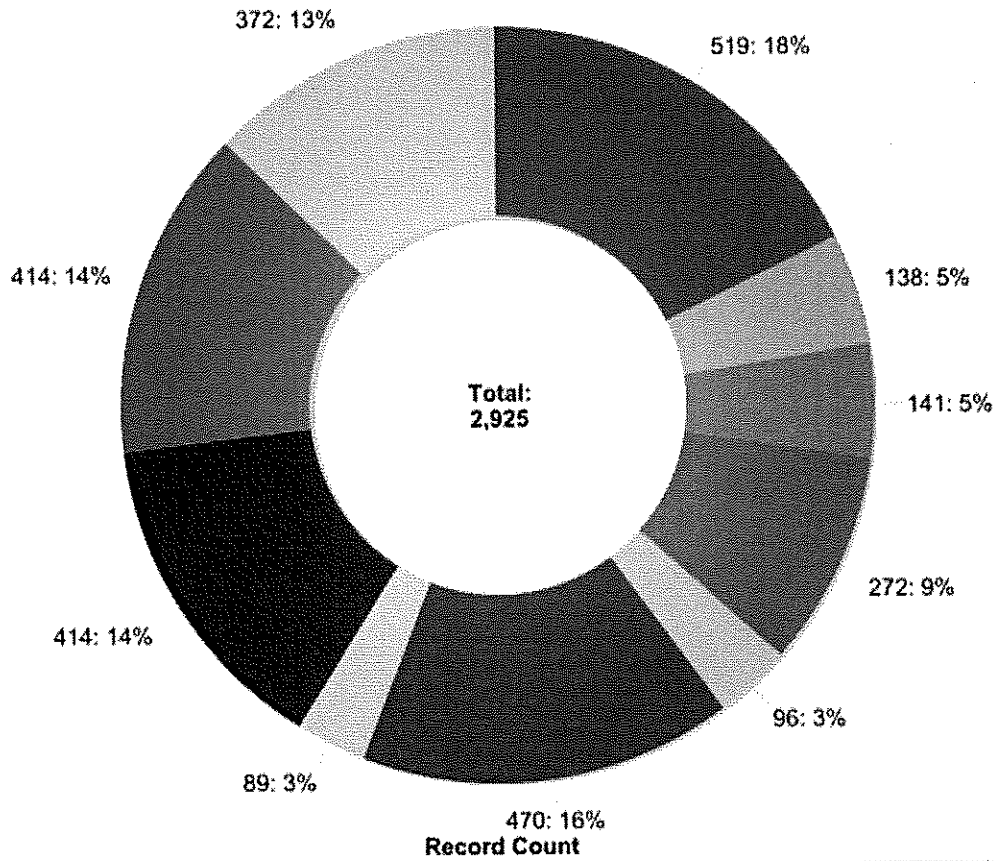
Civil Penalties Assessed	\$ 42,250
Continuing Education Hours Assessed	46
CPA Audits Assessed	2
Trust Account Reexaminations Assessed	-
Probations Assessed	1
Suspensions Assessed	3
Revocations/Voluntary Surrenders	1
Cease and Desist Injunction	-
Statement of Charges Filed (Outstanding)	-

**REAL ESTATE EDUCATION REPORT:**

	<u>Year To Date Totals</u>
Course Approvals (New/Renewed)	401
Instructor Approvals (New/Renewed)	56
Provider Approvals (New/Renewed)	6
Pre/Post Course Approvals	21
Denied Courses	-



**IREC APPLICATIONS PROCESSED (2020):**



Type
■ General - Request for Background Check Packet
■ General - Request for License Verification (License History)
■ RE Commission - Change Status to Active
■ RE Commission - Change Status to Inactive
■ RE Commission - Renewal
■ RE Commission - Salesperson/Broker
■ RE Commission - Tradename
■ RE Commission - Transfer
■ RE Commission - Authorized Course Application
■ Other