

Iowa Real Estate Commission
200 East Grand, Suite 350
Des Moines, IA 50309
MINUTES
October 1, 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	Jim Clingman
Helen Kimes	

Staff present for all or part of the meeting

Jeff Evans, Executive Officer	Colleen Goddard, Trust Account Auditor
John Lundquist, Assistant Attorney General	Danielle Bartkiw, Licensing Specialist
Renee Paulsen, PLB Investigator	Jill Simbro, Education Director
Ashley Thompson, Background Manager	Lori SchraderBachar, PLB Site Manager
MaryClaire Hipp, PLB Temp Employee	

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

Kristen Brend, Iowa Association of Realtors	Lauren McMillon, The CE Shop, Inc.
Gabe Walsh, Iowa Association of Realtors	Callie Myers-Creelman
Amanda Nagle, Iowa Association of Realtors	Josh Herbst
Arthur Cox, UNI Director of Real Estate Education	

Call to Order

Duggan called the meeting to order at 9:08 a.m.
Quorum was established.
Introductions were made.

Motion by Kimes to approve the agenda.

Seconded by Stolk.

Vote: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Approval of Minutes

Motion by Clingman to approve the September 3, 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 DeMott.

Vote: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Commissioner Reports

None.

Staff Reports (1)

Lundquist had nothing to report.

SchraderBachar was not present for this portion of the meeting.

Evans asked Commissioners to sign and return their per diems by the end of the day. Evans explained the current in-office staff rotation; Evans and SchraderBachar work most days in the office while other staff rotate once per week and otherwise are working from home. Phase 2 of the "IDOB – PLB Returning to the Workplace" was moved back to November 2nd. Evans complimented staff on their continued efforts working from home and dealing with the challenges it brings. Evans announced MaryClaire Hipp started as a temporary employee on September 28th and will assist Evans with outstanding settlement agreements and other matters. Hipp graduated from University of Iowa and majored in Journalism and Public Policy. She also earned a Paralegal Certificate from DMACC and has three years of work experience. Evans reports that preparations for licensing renewals are underway and staff is currently testing the database to make sure everything is running properly. This will be the first renewal where every licensee (either active or inactive) should have already created a user account in the My Iowa PLB licensing/application portal. Evans anticipates issues with licensees (who have not logged in since 2017) creating multiple accounts and reports he and staff will be posting information on the PLB website to try and help prevent that from happening.

ARELLO

Commissioners reported on their attendance to the virtual 2020 Annual Conference.

Stolk and Duggan report that the sessions were well-attended.

Evans reported on his attendance of the "eProctoring for Examinations session." Evans also stated this was the 90th birthday of ARELLO and complimented the organization as being extremely useful and a great resource for information and networking.

Communications

After discussion, **Motion by DeMott to grant waiver 20-12:** The petitioner is requesting a waiver of 193E Iowa Administrative Code § 4.1(9) and the requirement that the applicant must complete all required prelicense education during the 12 months prior to the date of application. PSI temporarily closed their testing centers from March 19th until May 1st; in response to the public health emergency declaration due to COVID-19. The Petitioner passed the State portion of the exam on 7/29/20 but was unable to pass the National portion at that time. The petitioner rescheduled for 8/10/20 but was unable to (re)take the National portion of the salesperson examination on that date due to PSI losing power from the Derecho Storm. The petitioner was finally able to take and pass the National portion of the exam on 8/29/20 but by that time, two of the 12-hr course completion certificates had expired.

Seconded by Kimes.

Vote: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Myers-Creelman left the meeting at 9:28 a.m.

After discussion, **Motion by Stolk to grant waiver 20-13:** The petitioner is requesting a waiver of 193E Iowa Administrative Code § 4.3 and the requirement that a salesperson 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 met all the licensing requirements to apply for a license on 5/29/20 when he paid for the background check and his fingerprints were sent to the DCI.

The broker of the firm had personal hardships during the petitioner's application process and the Petitioner felt it was unprofessional to press his employment during that time. The petitioner's State and National Exam Score Reports expired during that time period. The broker has since agreed to hire the petitioner.

Seconded by DeMott.

Vote: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Herbst left the meeting at 9:34 a.m.

Accommodations for National Criminal History Check, Renewals, and Continuing Education Due to COVID-19

Evans shared with the Commission the draft document and revisions necessary as a response to Section Seventy-Eight of the Governor's Emergency Proclamation and the provision (if the Emergency Proclamation goes through end of 2020) that states professional licenses shall not expire during the duration of the State Public Health Emergency Declaration.

Lundquist discussed the process for renewals and reinstatements if the Emergency Proclamation is still in effect come 1/1/2021. A licensee set to expire during the Emergency Proclamation can expect their license extending and not expiring until the Emergency is over.

Commissioners discussed the accommodations and what guidance should be given to licensees.

SchraderBachar joined the meeting at 9:40 a.m.

Nagle left the meeting at 9:57 a.m.

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

Seconded by Stolk.

Vote: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Staff Reports (2)

SchraderBachar reports the Architect National Registration Board is moving to online proctoring in November and will use Prometric as the testing provider until July 2021, at which time PSI will become the new testing provider.

RFP For Errors & Omissions Insurance Update

Evans reported on the Request For Proposal (RFP) for the Real Estate Commission's group errors and omissions insurance program and informed the Commission that a Notice of Intent to Award was issued to the current vendor (Rice Insurance Services Company, LLC) on August 28, 2020 with no appeal. Evans shared the Evaluation Scoresheet with the Commission, along with the executed contract with the terms of locked in premium of \$144.00 for three (3) years. The contract began on September 8, 2020 and will end on August 31, 2022, with the option of four (4) one year extensions at the discretion of the Commission.

Professional Examination Services Contract with PSI Services, LLC

Evans reported on correspondence received re: PSI Licensure Operations Update. PSI acknowledges that in recent months their service levels have not been meeting expectations. PSI provided explanation of steps being taken to address the current challenges which includes the following: the hiring and training of over 100 additional Customer Service Representatives, hired over 150 new Test Center Administrators and added over 90,000 additional test slots, and the implementation of a 'dual mobility model that will offer examination candidates the choice of a test center or home testing. Evans and Bartkiw both reported that PSI does a great job quickly addressing issues that are brought to their attention.

2020 Legislation Update

Evans reports that Lundquist and SchraderBachar are working on amending the rules that will accompany HF 2627. The amendments will be available for the commission to review by the November or December meeting.

Lundquist briefed Commissioners on preparations necessary for the implementation of House File 2627, which is to go into effect January 1, 2021. As part of this legislation, the Commission must put together a list of criminal convictions that could disqualify someone from licensure. Lundquist asked commission members to review the Criminal Code list and be prepared to discuss at a future meeting.

SchraderBachar announced the Real Estate Appraiser Board (a sister agency) finalized their list of convictions and the list was made available for the Commission to review.

Public Comment

Walsh reports the Iowa Association of Realtors had their convention meeting last week and everything went very well. Walsh pointed out that from an education stand-point, Brend did an outstanding job. Walsh explained there had been progress towards state-wide professional standards administering the IAR Code of Ethics. Walsh announced that as of October 15th, there will be 12 out of 17 local boards will have their professional standards administered start to finish by the Iowa Association of Realtors.

Lundquist reminded IAR members that at the next meeting of the Commission, the Commission will hear oral arguments from the Petitioner and Intervenor re: Petition for Declaratory Order (D20-01).

SchraderBachar left the meeting at 10:24 a.m.

The Commission took a break at 10:24 a.m. and reconvened at 10:30 a.m.

Closed Session

Motion by Stolk 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 DeMott.

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 10:33 a.m. and arose from there at 11:34 a.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 Clingman 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: 20-007, 20-070, 20-082, and 20-141.

Seconded by Kimes.

Vote: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Motion by Stolk to find probable cause and to authorize Evans (Executive Officer) to sign the accepted, signed Settlement Agreement for the following cases: 20-133, 20-134, 20-140, 20-176, 20-184, and 20-185 as discussed in closed session.

Seconded by Kimes.

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 IREC Case No. 20-237.

Seconded by Carminhato.

Vote: Aye: All Nay: None Abstaining: None

Motion passed.

Motion by Clingman to find probable cause for the following cases: 19-177, 19-186, 20-081, 20-122, 20-138, 20-158, 20-206, 20-219, and 20-228 as discussed in closed session.

Seconded by DeMott.

Vote: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Motion by Clingman to close the following cases: 19-169, 19-224, 19-236, 20-101, 20-148, and 20-151 as discussed in closed session.

Seconded by Stolk.

Vote: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Motion by Clingman to close IREC Case No. 19-241 as discussed in closed session.

Seconded by Stolk.

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

Motion passed.

Discussion was held re: IREC Case No. 19-102 and the allegations of the unlicensed practice of real estate. No action taken as this complaint file will be tabled to a future meeting.

IREC Case No. 19-177 was referred for further investigation.

Discussion was held re: IREC Case No. 19-178 and the allegations of the unlicensed practice of real estate.

Motion by Kimes to close.

Seconded by Clingman.

Vote: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Discussion was held re: IREC Case No. 19-179 and the allegations of the unlicensed practice of real estate.

Motion by DeMott to close.

Seconded by Carminhato.

Vote: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Discussion was held re: IREC Case No. 19-244 and the allegations of the unlicensed practice of real estate.

Motion by Kimes to issue a "Notice of Intent to Impose Civil Penalty".

Seconded by Clingman.

Vote: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Discussion was held re: IREC Case No. 19-245 and the allegations of the unlicensed practice of real estate.

Motion by Stolk to issue a "Notice of Intent to Impose Civil Penalty".

Seconded by Kimes.

Vote: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Discussion was held re: IREC Case No. 19-246 and the allegations of the unlicensed practice of real estate.

Motion by Stolk to issue a "Notice of Intent to Impose Civil Penalty".

Seconded by Kimes.

Vote: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Discussion was held re: IREC Case No. 20-128 and the allegations of the unlicensed practice of real estate.

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

Seconded by Kimes.

Vote: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Discussion was held re: IREC Case No. 20-145 and the allegations of the unlicensed practice of real estate.

Motion by Clingman to close.

Seconded by DeMott.

Vote: Aye: All Nay: None Abstaining: None

Motion passed unanimously.

Future Meetings

Investigation Committee Meetings

Wednesday, November 4
Wednesday, December 2
No January Meeting
Wednesday, February 3

Regularly Scheduled Meetings

Thursday, November 5
Thursday, December 3
No January Meeting
Thursday, February 4

Meeting Adjourned

With all agenda items covered, the meeting adjourned at 11:55 a.m.

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

November 5, 2020
Date

M. E. FOR IAC
By: TERRANCE M. DUGGAN, Chair

**Iowa Real Estate Commission
 Staff Report – As of 10/01/20
 October 1, 2020 IREC Meeting**

LICENSING TOTALS:

	<u>Salespersons</u>	<u>Brokers</u>	<u>TOTAL IND. LICENSES</u>	<u>Firms</u>
Active	7,135	2,991		
Inactive	1,358	369		
Suspended	12	19		
TOTAL	8,505	3,379	11,884	1,146

EXAMINATIONS ADMINISTERED BY PSI:

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Broker	155	267	296	296	298	324
Salesperson	1,813	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	874

	<u>Salespersons</u>	<u>Brokers</u>	<u>TOTAL SALESPERSON & BROKER LICENSES ISSUED (YTD 2020)</u>
Exam	735	43	
Rule 5.3	69	12	
Reciprocity	11	4	
TOTAL	815	59	874

TOTAL FINGERPRINTS SUBMITTED TO FBI & DCI

<u>Turnaround Time (Days)</u>		<u>2020</u>
Minimum	1	Total Processed 967
Maximum	72	
Average (YTD 2020)	5	

AUDITS:

	<u>Year To Date Totals</u>
Continuing Education	235
E & O	379
Trust Account	282

PERCENTAGE OF NONCOMPLIANCE FOR E&O AND CE AUDITS:

<u>Year</u>	<u>E&O</u>	<u>Continuing Education</u>
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	16.09%	1.70%

INVESTIGATIONS/CONTESTED CASE HEARINGS/DISCIPLINARY ACTION:

	<u>Year To Date Totals</u>
Complaint Cases Opened YTD	247
<u>Commission Action:</u>	
Closed	75
Closed with Informal Cautionary Letter	22
Closed and Granted License	7
Signed Informal Settlement Agreements	43
Signed Applicant Consent Agreements	11
Signed Cease and Desist by Consent Agreement	3
Statement of Charges Filed	-
License Denials	1
Formal Hearings	-
Total	162
<u>IREC Staff Action:</u>	
Closed	36
License Suspension	-
Other	2
Total	38
Complaint Cases Closed YTD	200
Average Amount Of Time (Open To Close)	207 Days

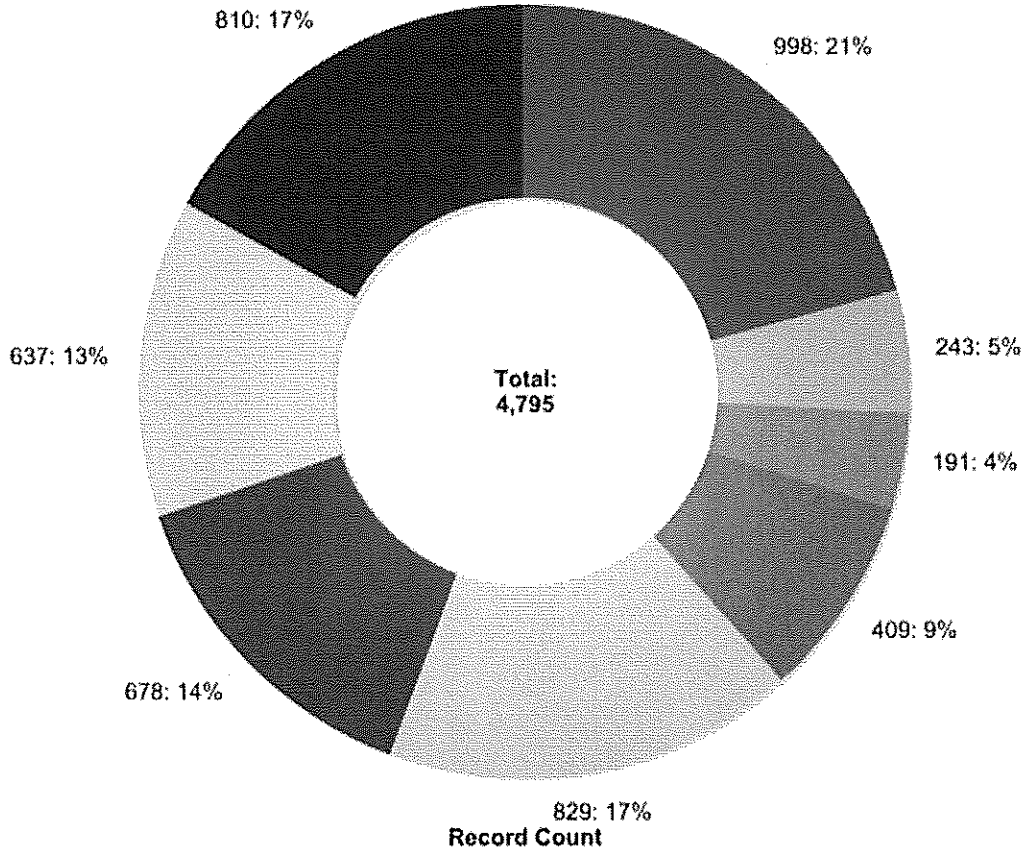
Disciplinary Action Totals:

Civil Penalties Assessed	\$ 75,500
Continuing Education Hours Assessed	58
CPA Audits Assessed	2
Trust Account Reexaminations Assessed	-
Probations Assessed	1
Suspensions Assessed	3
Revocations/Voluntary Surrenders	1
Cease and Desist Injunction	4
License Denial	1
Statement of Charges Filed (Outstanding)	-

REAL ESTATE EDUCATION REPORT:

	<u>Year To Date Totals</u>
Course Approvals (New/Renewed)	624
Instructor Approvals (New/Renewed)	89
Provider Approvals (New/Renewed)	15
Pre/Post Course Approvals	34
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 - Salesperson/Broker
 - RE Commission - Transfer
 - RE Commission - Authorized Course Application
 - Other