

Oregon Real Estate News-Journal

Official Publication of the Oregon Real Estate Agency

Volume 62, Number 1, May 2008



Commissioner Gene Bentley

Work Continues on Rule Review

Gene Bentley, Real Estate Commissioner

The Real Estate Agency is conducting a review of the administrative rules under its authority. The Agency convened work groups and larger advisory committees to undertake this task. The goals of the review are to ensure that the rules are understandable, and that they protect the consumer and promote a healthy real estate market. The review should be completed by July 2008.

The Licensing/Brokerage Rule Review Work Group reviewed Oregon Administrative Rules (OAR) 863 Division 15. It has made recommendations that were incorporated into new draft rules. Those draft rules went to the advisory committee for comment. Agency staff will review the comments and create a final rule draft.

The Property Manager Rule Review Work Group will continue their review of OAR 863 Division 25 in mid-April. After the work group completes the review, the resulting proposed rule revisions will be forwarded to the Advisory Committee for comment.

The Background Check Rules Work Group assisted the Agency in developing

new rules to implement 2005 House Bill 2157 authorizing criminal background checks on license applicants. The new draft rules clarify the types of offenses and the periods of time that various criminal offenses can be considered in determining trustworthiness for licensing. The draft rules were approved by the Real Estate Board, and a hearing is set for May 21.

The Escrow Rule Review Work Group is reviewing OAR 863 Division 50. After the work group completes the review, the resulting proposed rule revisions will be forwarded to the Advisory Committee for comment.

The Agency expresses its gratitude to the following people who have agreed to be part of this process.

Licensing/Brokerage Work Group

Krista Bolf, Ashland; Lee Dunn, Portland; Gail Fisher, Portland; Mike Graeper, Portland; Art Kegler, Boardman; Dave Koch, Canby; Steve Lucas, Portland, Brian Pienovi, Portland; Kevin Simrin, Eugene; Steve Smiley, Bend; Jeremy Starr, Eugene;

Please see **Work Groups** on Page 2



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Work Groups

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Steve Wilson, Portland; Marianne Wood, Eugene; Andrea Bushnell, Salem.

Licensing/Brokerage Advisory Committee

Brian Allen, Portland; Alan Mehrwein, Portland; Jim Homolka, Beaverton; Dave Squire, Portland; John Bowman, Portland; John Zupan, Medford; Bob Stutte, Portland; Ray Penny, Coos Bay; Joann Hansen, Coos Bay; Dorothy Detsch, McMinnville; Russ Newcomer, Beaverton; Lynae Buchman, Lake Oswego; Rick Harris, Ashland; Gail Ohm, Gleneden Beach; Keith Davis, Bend; Don Robertson, Lebanon; Leslie Green, Lincoln City; Bonnie Saxton, Newport; Dennis Kelly, Clackamas; Michael Malepsy, Shady Cove; Tom Harrison, Medford; Jeanette McVay, Brookings; Marianne Padilla, Harbor; Debbie Weaver, Corvallis; Barbara Brown, Medford; Wendy Adkisson, Bend; Gene Bennington, Sunriver; Kay Lucas, Bend; Linda Trout, Redmond; Diana Allmer, Gresham; Nancie Rogers, Dallas; Stephanie Pollard, Ashland; Bob Methvin, Medford; Ken Haltiner, Tillamook; Jill Smith, Tillamook; Rex Ballenger, Eugene; Arlee Webb, Gresham; Lori Palermo, Springfield; Dave Christoff, Woodburn; Richard Siewart, Woodburn; Lanny Zoeller, Corvallis; Bruce Roberts, Ashland; Don Berry, Eugene; John Hoops, Eugene; Cory Neu, Marcola; Garrett Chadney, Gresham; Howard Britton, Baker City; Gary Koegler, La Grande; Kathye Corn, Baker City; Jim Whitney, Pendleton; Gordy Snyder, Milton-Freewater; Lorena Teer, Eugene; Mel Atkins, Grants Pass; Kurt Heater, Grants Pass; Bobbi Overland, Eugene; John White, Brookings; Vicki Dick, Pendleton; Jason Lee, Seaside; Pete Sekermestrovic, Corvallis; Melvin Broadous, Beaverton.

Property Management Work Group

John Baker, Salem; Emily Cedarleaf, Salem;

John DiLorenzo, Portland; Dave Hamilton, Portland; Dyann Hamilton, Portland; Chris Hermanski, Lake Oswego; Jan Robertson, Portland; Jana Jarvis, Salem; Deborah Imse, Portland; Mike Kozak, Bend; Cindy Laurila, Lake Oswego; Catherine Miles, Keizer; Maxine Ribera-Card, Bend.

Property Management Advisory Committee

Bob Stutte, Portland; John Rees, Hillsboro; Rebecca Gardner, Beaverton; Sylvia Roll, Portland; Randy Randall, Hermiston; Karen Stromme, Portland; Rick LeBrun, Eugene; Tim Breen, Eugene; Dennis Kerr, Bend; Greg Close, Portland; Dave Hewett, Hillsboro; Peter Stiven, Portland; Laura Gentry, Beaverton; Gene Powell, Bend; David Lively, Medford; Jodi Allen, Portland; Cathy Hummel, Roseburg; Darcy Porter, Ontario; Terry Turner, Redmond; Susan Steward, Portland; Yvonne Dunn, Brookings; Kyle Gray, Springfield; Mary Worton, Klamath Falls.

Background Check Work Group

Bob LaDu, Portland; Jim Whitney, Pendleton; Sal Esquivel, Medford; Dave Koch, Canby; John Zupan, Medford.

Escrow Work Group

Alan Brickley, Portland; Peggy Neikirk, Portland; Billie Epperson, Oregon City; Patricia Ihnat, Portland; Susan Reiman, Portland; Darlene Allman, Bend; Renee Grace, Boardman; Jay Dobson, Portland; Cleve Abbe, Portland; George Slape, Bend; Yvonne Clifford, Portland; Byron Hendricks, Salem.

Escrow Advisory Committee

Mary Jane Hendrix, Portland; Carol

Please see **Work Groups: Escrow** on Page 3

Board Meeting to be Held in Florence

In keeping with its goal of increasing outreach to the real estate community, the Oregon Real Estate Board will hold its next meeting in Florence.

Real estate licensees and interested par-

ties are invited to attend the meeting on Monday, June 2nd at 10 a.m.

Please visit the Agency's website at www.rea.state.or.us for location and meeting agenda. ■

Board Meeting Schedule

June 2, Florence
August 4, Salem
October 6, Salem
December 1, Salem

Agency Announces Changes in Staff

Joyce Yates retired December 31, 2007 after 30 years of state service. In her 12 years with the Real Estate Agency she worked as a Public Services Representative, first with the Licensing Section, and then the Regulations Division. Ms. Yates will be missed for her expertise in assisting Agency staff, licensees and the public, and for her skills in making delicious desserts. She plans on traveling with her husband to Hawaii and spending time with her grandchildren.

The Regulations Division has hired two new Investigator/Auditors. **Rob Pierce** started with the Agency in December. He previously worked in the private sector for U-Haul and Toys R Us. Mr. Pierce has an associate's degree in business administration and a bachelor's degree in accounting.

Denise Lewis started in the new position of Administrative Specialist for the

Regulation Division in March. Ms. Lewis has worked previously for the Oregon Department of Employment, and the SAIF Corporation.

After eight years with the Agency, Information Technology Manager **Rick Leventhal** accepted a promotion with the Oregon Department of Employment.

Regulation Division Manager **Becky Osborne** has left the Agency for a job with the Oregon Department of Justice. Ms. Osborne spent four years with the Agency.

Education Coordinator **Mesheal Heyman** has accepted the opportunity to manage the Education Division for the Agency. Ms. Heyman has been with the Agency for seven years.

The Agency congratulates Ms. Yates and Ms. Heyman, welcomes Mr. Pierce and Ms. Lewis, and wishes Mr. Leventhal and Ms. Osborne well. ■

Editor's Note: See the Agency's website at www.rea.state.or.us for available employment opportunities.

Work Groups: Escrow

Continued from Page 2

Jackson-Bechtold, Newberg; Deanna Freauff, Portland; Elaine Vincent, Hood River; Linda Schmale, Cottage Grove; Jyl Meier, Salem; Jim Templin, Stayton; John Cozier, Roseburg; Ken Boyst, Eugene; Terri Jo Morgan, Roseburg; Karen Christiansen, McMinnville, Heather Smailys, Bend; Bob Houston, Newport; Nicole McConnell-

Steuart, Madras; Amy Freeman, Pendleton; Dennis Watterson, La Grande; Julie Best, Bend; Linda Stelle, Bend; Mary Friesen, Portland; Susan Bergren, The Dalles; Bev White, Baker City; Arinda Craig, Grants Pass; Sharon Miles, Ontario; Stacy Collins, Klamath Falls; Craig Chisholm, Portland. ■

Administrative Actions

November 21, 2007 through February 26, 2008

Revocations

The Agency is required by Oregon Real Estate License Law to publish disciplinary actions. A list of those actions, a brief description of the situation, and the grounds for the Commissioner's action follows. Please note, there are individuals with real estate licenses that may have similar or the same names as those listed herein, or even work in the same market area. If you are in doubt if an individual listed here is someone you know or with whom you are dealing, please contact the Agency for verification.

Finally, please note that stipulated settlements do not necessarily reflect all the factual violations initially alleged by the Agency, and the sanction(s) may have been adjusted as part of the negotiation process. Such settlements may not, therefore, directly compare in severity/sanction with other cases.

Casarez, Jerry G. (Springfield) Broker #990300119

Stipulated order dated January 30, 2008, effective January 30, 2008, resulting in a revocation.

Violation: ORS 696.301

Fox, Jeanne E. (Coos Bay) Property Manager #940100088

Default order dated November 21, 2007, effective December 1, 2007. Fox failed to maintain a place of business in this state and failed to give the Real Estate Agency a change of location prior to moving her location.

Violation: ORS 696.200

Knapp, Thomas Eric (Salem) Broker #200402165

Hearing order dated October 26, 2007, effective October 26, 2007. Knapp pled guilty to engaging in a monetary transaction with proceeds of criminal activity in violation of 18 U.S.C §1957.

Violations: ORS 696.301(11),(14)

Lund, Maria Gonzales (Beaverton) Broker #980800067

Stipulated order dated January 24, 2008, effective January 24, 2008. Lund failed to properly complete a listing agreement by leaving blank the section specifying how forfeited earnest money would be disbursed; Lund advertised property on the multiple listing service at a sale price lower than the listing price to which the sellers had agreed, and advertised a seller credit of \$2,000 to be offered to a buyer without first obtaining the sellers' written consent to do so; Lund failed to promptly transmit the listing agreement to her principal broker for review until six weeks after it was signed; Lund failed to promptly transmit a repair addendum to

her principal broker for review for approximately two months; Lund recommended an unlicensed contractor to the sellers in order to facilitate repairs even though the repairs in question required performance by a licensed contractor; Lund executed an addendum stating that the seller would credit the buyer \$2,000 for a carpet allowance, when the signature on the addendum purporting to be the buyer's signature was not the buyer's signature, and submitted the addendum to her principal broker for review; Lund executed an addendum extending the closing date, when the signature on the addendum purporting to be the buyer's signature was not the buyer's signature, and submitted the addendum to her principal broker; Lund submitted a broker demand instruction to escrow representing that the seller had agreed to pay a commission higher than the listing agreement stated; Lund represented to her principal broker that a licensed contractor had completed a roof inspection prior to closing, had verbally told Lund that the roof was okay, had mailed a copy of a roof inspection report to the buyer, and had told Lund that the inspector could not comply with a request for an additional copy because his father was dying, when in fact none were true; Lund executed a promissory note for earnest money without making the note payable within a stated time subsequent to the sellers' acceptance; Lund failed to transmit a copy of the entire inspection report, which included photographs, to the buyer, when Lund received it from the inspector prior to closing; Lund failed to give the buyer a copy of the executed sale agreement; Lund failed to give the buyer an initial agency disclosure pamphlet at first contact with the buyer; Lund failed to include the buyer's request for a carpet allowance in the initial offer to purchase; and Lund temporarily transmitted to the

sellers the original copy of the sale agreement so the sellers could review and sign the document, without keeping a copy for herself or the brokerage records.

Violations: ORS 696.301(12)&(14); 696.815(2)(a)&(b); OAR 863-015-0125(1)(e); OAR 863-015-0135(4)&(5); OAR 863-015-0215(1); OAR 863-015-0255

Shanks, Rachel Elspeth (Central Point) Property Manager #200605031
Stipulated order dated December 21, 2007, effective February 1, 2008. Shanks conducted property management activity prior to obtaining a license to do so; Shanks conducted property management under a registered business name other than the registered business name on file with the Secretary of State; Shanks advertised under a registered business name for which she was not the registered owner; Shanks established and maintained clients' trust accounts without filing with the Real Estate Agency a statement identifying the clients' trust accounts; Shanks failed to file with the Real Estate Agency an authorization to examine clients' trust accounts; Shanks failed to provide the bank statement with the clients' trust accounts reconciliations; Shanks failed to reconcile her clients' trust accounts at least once monthly; Shanks failed to use an identifying code on the record of receipts and disbursements; Shanks failed to record the daily balance on the record of receipts and disbursements; Shanks failed to identify from whom deposits were received on the record of receipts and disbursements; and Shanks executed or issued checks from the clients' trust accounts prior to the existence of sufficient credit balances.

Violations: ORS 696.020; OAR 696.241(2) & (3), ORS 696.280(3); OAR 863-015-0095(1); OAR 863-015-0125; OAR 863-025-0025(11) & (19); OAR 863-025-0035(1); and OAR 863-025-0040(2)(b)&(g)

Skellham, Robert W. (Klamath Falls) Broker #200306177
Stipulated order dated December 10, 2007, effective December 10, 2007.

Skellham was convicted of two counts of Sexual Abuse 1, Class B Felonies.

Violation: ORS 696.301(11)

Suspensions

Chase, Stephen M. (St. Helens) Property Manager #990900066
Stipulated order dated November 28, 2007, issuing a six month suspension effective January 15, 2008. Chase failed to have written property management agreements to manage some properties; Chase failed to maintain documentation explaining the amount of and purpose for disbursements entered in the record of receipts and disbursements and the owner's ledger; Chase executed or issued a check from the clients' trust account prior to the existence of a sufficient credit balance to cover the check in the owner's ledger against which the check was executed or issued; Chase did not perform monthly reconciliations of his clients' trust accounts; Chase could not account for all checks, including but not limited to voided checks, as part of his property management records; Chase did not use or maintain cash receipts when accepting cash; and prior to October 2006, Chase's bank statements did not contain the words "Clients' Trust Account."

Violations: ORS 696.241(1); OAR 863-025-0025(1)(3)(a), (10) & (20); OAR 863-025-0040(5); OAR 863-025-0055(5); OAR 863-025-0060

Fuller, Michael D. (Portland) Broker #780403837
Stipulated order dated January 9, 2008, issuing a 30-day suspension effective February 1, 2008. Fuller removed himself as a buyer in a transaction in which the lender would not allow Fuller to be a buyer as well as receive a fee, with the understanding that the other buyer would continue in the transaction to purchase the home in her sole name, using her sole financing, and individually obligate her to the mortgage and subsequently quitclaim deed Fuller half of the interest in the home after closing; Fuller acted as the sell-

Please see Administrative Actions on Page 6

Administrative Actions:

Continued from Page 5

ing broker for himself and the other buyer through the majority of the transaction to purchase a home, while the documents he prepared purported that another licensee was the selling broker; Fuller allowed the other buyer to continue in a transaction in which the other buyer would purchase a home and then deed one-half interest in the home to Fuller for no consideration, while the other buyer remained solely responsible for the entire mortgage; Fuller represented the other buyer in the transaction to purchase a home and failed to advise the other buyer to seek expert advice regarding the effect and consequences of the other buyer signing a quitclaim deed deeding a one-half interest in the subject property to Fuller.

Violations: ORS 696.301(1) & (31); ORS 696.810(3)(c) & (e) (2003 Edition)

Parker, Bruce A. (Coos Bay) Broker #900300249
Stipulated order dated November 20, 2007, issuing a 30-day suspension effective November 30, 2007. Parker advertised and represented that a roof was new, when in fact it was not; Parker represented to a buyer that the home warranty would provide full coverage for one year, when that was not the case as the warranty company refused to repair the roof.

Violation: ORS 696.301(1)

Reprimands

Brown, Earlene S. (Coos Bay) Broker #920400010
Stipulated order dated February 11, 2008. Brown advertised a lot as being "ready to build or put a manufactured home on" when in fact it was not; and Brown allowed the transaction to close without obtaining a final elevation report, which was a written contingency to the transaction.

Violations: ORS 696.301(6); ORS 696.815(5)(b) (2003 Edition)

Clark, Teri L. (Portland) Broker #001201178
Stipulated order dated December 10, 2007. Clark violated various property management rules regarding clients' trust accounts, and a statute, as the result of a mail-in audit.

Violations: ORS 696.301(15); OAR 863-025-0025(3)(a), (3)(d), (3)(e), (5), (8)&(9); OAR 863-025-0040(2)(a) & (2)(c); OAR 863-025-0055(5)

Denton, Patricia M. (Coos Bay) Broker #200007023
Stipulated order dated February 11, 2008. Denton advertised a lot as being "ready to build or put a manufactured home on" when in fact it was not; and Denton allowed the transaction to close without obtaining a final elevation report, which was a written contingency to the transaction.

Violations: ORS 696.301(6), 696.815(5)(b) (2003 Edition)

Cullen, Jerry G. (Umatilla) Broker #199911123
Default order dated October 17, 2007. Cullen failed to obtain a seller's signature on an Exclusive Right to Sell Agreement.
Violation: ORS 696.805(3)(a)&(c)

Fanning, Elizabeth S. (Portland) Broker #200205193
Stipulated order dated November 29, 2007. Fanning failed to transmit addenda regarding a contingency and extension of time to the seller's broker.

Violation: ORS 696.810(3)(a)&(c)

Kearney, Kenneth Deans (Roseburg) Broker #200410167
Stipulated order dated November 21,

2007. Kearney failed to transmit \$5,000 earnest money and transaction documents to his principal broker. Kearney failed to disclose his licensed status in writing on the two sale agreements and sign that the property was broker owned. Kearney represented to the buyer that closing would occur on a date that was not ascertainable due to the planning division's involvement.

Violations: ORS 696.301(15); OAR 863-015-0255(2), OAR 863-015-0145(1)

Strutz, Larry C. (Clackamas) Broker #780203551

Stipulated order dated January 31, 2008. Strutz failed to advise a seller to seek legal advice regarding a quitclaim deed.

Violation: ORS 696.810(3)(e)

Civil Penalties

Expired - OAR 863-015-0050(2) - 31-60 days - \$100:

Alexander, Stanley (White City) Broker #871200098 - 47 days - 12/18/07
Stipulated Order

Barstow, Laura K. (Portland) Broker #200205222 - 54 days - 1/2/08
Stipulated Order

Shivers, Nickolas (Lake Oswego) Broker #200209063 - 45 days - 11/29/07
Stipulated Order (\$1,500 for extenuating circumstances)

Expired - OAR 863-015-0050(2) - 91-120 days - \$1,100:

Walczyk, Gregory (Fairview) Broker #980100248 - 101 days - 1/16/08
Stipulated Order

Expired - OAR 863-015-0050(2) - 241-270 days - \$2,600

Martin, Robin M. (Portland) Broker #970500011 - 249 days - 12/10/07
Stipulated Order (\$800 for extenuating medical circumstances)

The complete order for each administrative action can be found as a supplement to the electronic version of the *OREN-J* on the Agency's website. Visit www.rea.state.or.us, and select "News-Journal" from the menu.

Agency Purchases New Phone System

The Real Estate Agency's 20-plus-year-old telephone system has been replaced with an internet telephone system. This system will use the Voice over Internet Protocol (or VoIP) technology for incoming and outgoing calls.

The Agency's telephone number is still (503) 378-4170, but callers should be aware of the following changes:

- Extension numbers. Agency staff members now have direct-dial telephone numbers, as well as new five-

digit extensions via the main Agency telephone number.

- Menu choices. There is a slight modification to the menu heard when calling into the Agency.
- Caller ID. Agency staff will be able to see the telephone numbers for calls coming in to the Agency.

New telephone numbers for Agency staff can be found on the Agency's website at www.rea.state.or.us.

A New Look for the Oregon Real Estate News-Journal

The Oregon Real Estate Agency has redesigned its official publication.

Do you like it? Do you have suggestions? Please send comments via regular mail to the Real Estate Agency, 1177 Center St. NE, Salem OR, 97301, or by e-mail

to orea.info@state.or.us.

Oregon Revised Statute 696.445 directs the Agency to provide for the educational advancement of real estate licensees by publishing the *Oregon Real Estate News-Journal*.

Classes on Oregon's Unclaimed Property Law

Cyndi Wickham, Oregon Department of State Lands

Editor's note: This article was provided by the Oregon Department of State Lands.

For locations and registration information, go to www.oregonstatelands.us and follow the links to "Unclaimed Property Seminars," or call (503) 986-5290.

Editor's Note: This course may meet continuing education requirements. Please see "Continuing Education Requirements" below for more information.

What do you do with refund checks that never clear your bank account?

What about deposits owed to a tenant who didn't leave a forwarding address?

Fortunately, Oregon law (ORS 98.302-436 and 98.991-.992) provides a mechanism for getting this type of liability off your books while ensuring rightful owners can easily claim their money at any time in the future.

The Oregon Department of State Lands administers the state's unclaimed property law, and is offering seminars this spring to help businesses learn about complying.

The half-day training sessions include a brief overview of unclaimed property, determining when property is reportable, actions required before reporting, due diligence and record retention. Each

attendee receives a compliance handbook with information and resources to help you better understand the compliance process.

Seminars are being offered at a variety of locations around the state, for the cost of \$25 per attendee. For locations and registration information, go to www.oregonstatelands.us and follow the links to "Unclaimed Property Seminars."

Or call the Department of State Lands in Salem at (503) 986-5290.

All sessions will be held in the morning, unless otherwise indicated:

Salem:	May 20 May 28
Portland: (two sessions – morning and afternoon)	May 22 May 23
Eugene:	June 2
Medford:	June 3
Pendleton:	June 17

Continuing Education

Required Topics:

- Trust Accounts
- Misrepresentation
- Anti-Trust
- Rule and Law Update
- Property Management
- Commercial Brokerage and Leasing
- Real Estate Taxation
- Agency
- Fair Housing
- Contracts
- Evaluation of Property
- Brokerage Management
- Land
- Business Ethics

Continuing Education for Real Estate Licensees

Thirty hours of continuing education are required to renew a real estate license in Oregon. Principal brokers approve education for themselves and their affiliated licensees. Sole practitioner brokers and property managers approve their own education. **The Oregon Real Estate Agency does not approve continuing education. The Agency does not maintain a list of continuing education course providers.**

Licensees who approve education decide whether a course is in required or elective topics. OAR 863-015-0055 requires that at least 15 hours of continuing education taken by a licensee must be taken within the required topics (see sidebar). The rest of the hours can be either required or elective.

Continuing education must be "real estate-oriented." It must be a minimum of one hour in length.

Continuing education taken out-of-state may be approved by the approving licensee if the content applies to Oregon. Online or distance education classes may also be approved.

A principal broker may let affiliated brokers use the Advanced Real Estate Practices course for continuing education (See "Advanced Real Estate Practices - Do You Need It?," page 9).

Certificates of attendance must be kept by the approving licensee for six years

Visit the Agency's website at www.rea.state.or.us for more information, or call the Agency at (503) 378-4170.

Advanced Real Estate Practices - Do You Need It?

Real Estate Agency Staff

If you are a new Oregon broker, you must take the 30-hour Advanced Real Estate Practices (AP) course before your first active license renewal.

You must complete the Real Estate Agency-approved AP course if you:

- received your very first Oregon real estate broker license on or after July 1, 2002; or
- let a previous Oregon license expire (or otherwise lapse) and obtained a new broker license on or after July 1, 2002.

Principal brokers, sole practitioner brokers and property managers are not required to take the AP course.

The AP course is a specific 30-hour course that must be taken from an Agency-approved course provider. A list of approved providers for the AP course can be found in the document called "Approved Pre-License and Post-License Real Estate Education," which can be obtained by visiting the Agency's website at www.rea.state.or.us.

Completion of the course is required by OAR 863-015-0055(4).

If your license is inactive at the time of renewal, you do not need to take the AP course until you reactivate your license.

Although the AP course requirement is separate from continuing education requirements, a principal broker may let affiliated brokers use the AP course to meet the continuing education requirements for license renewal.

When affiliated brokers complete the AP course, the course certificate must be given to their principal broker. The principal broker signs the Renewal Continuing Education Certification Form indicating that the course has been completed. The principal broker then keeps the certificate and the certification form for six years as required by ORS 696.280(2)

and (3), and OAR 863-015-0055(2)(c).

Find out if you need it:

Active broker licensees, you need to take the AP course to renew your license if:

- the license is being renewed for the very first time.
- you had an Oregon real estate license, but let it expire or otherwise lapse. You have now re-licensed as a broker by meeting the current licensing requirements. Your first license renewal since re-licensing is now coming up.

Inactive broker licensees, you need to take the AP course to activate your license if:

- you obtained your very first broker license after June 30, 2002, but it has been inactive the entire time. You have renewed your inactive license at least once, and now you wish to activate it.
- you had an Oregon real estate license, but let it expire or otherwise lapse. You became re-licensed as a broker after June 30, 2002 by meeting the current licensing requirements, but have had an inactive license since then. You have renewed your inactive license at least once, and now wish to activate it.

You do not need the AP course if:

- you are an affiliated broker who was licensed prior to July 1, 2002, and you have maintained your license, not letting it expire or otherwise lapse.
- you are a principal broker
- you are a sole practitioner broker
- you are a property manager
- your license is currently inactive (but you may need it to activate your license. See "Inactive Broker Licensees" above.) ■

Reciprocal Licensees:

Please contact the Agency at (503) 378-4170 if you will be renewing your Oregon license for the first time.

Department of Justice Changes Free Offers Rule

“It is the intention of the Department of Justice to prohibit the practice of advertising or offering something as ‘free’ when the cost of the ‘free’ item can be passed on to the consumer.”

Editor’s Note: This information has been provided at the request of the Oregon Department of Justice. Any questions regarding the impact on your business practices should be referred to an attorney.

The Oregon Department of Justice’s new “Free” Rule became effective on January 2, 2008. Oregon Administrative Rule 137-020-0015 follows the Federal Trade Commission’s Free Rule and has significantly changed the law concerning “free” offers in conjunction with the sale of real estate, goods and services.

It is the intention of the Department of Justice to prohibit the practice of advertising or offering something as “free” when the cost of the “free” item can be passed on to the consumer. A person making or advertising a “free” offer in conjunction with the purchase or lease of real estate, goods or services would be violating the rule if:

- the free item(s) would be part of normal negotiations or bargaining, unless the “free” item(s) is offered by

a manufacturer or another party that is not the seller, and there is no direct cost to the seller;

- the item being offered for sale or lease can be purchased or leased for a lessor price without the “free” item;
- the item being offered for sale or lease is priced higher than the “regular price.”

The rule also defines other prohibitions regarding “free” offers with real estate, goods and services that are not normally arrived at through bargaining, including, but not limited to, “free” offers made to attend sales presentations or during home solicitations.

The rule can be found at http://arcweb.sos.state.or.us/rules/OARS_100/OAR_137/137_020.html.

Violation of the rule is a violation of the Oregon Unlawful Trade Practices Act. A \$25,000 civil penalty per offense and other sanctions can be imposed for willful violations of the rule. ■

In Memoriam: Jerry Cripe

Jerry L. Cripe, former Education Director for the Oregon Real Estate Agency, passed away February 13, 2008 at the age of 77.

Mr. Cripe worked for the Agency from 1979 until his retirement in 1995. He was responsible for the publication of the Agency’s popular book *Questions and Answers in Real Estate*. Prior to working for the Agency, he was a professor of economics, and worked as an analyst for the Central Intelligence Agency. He is remem-

bered for his intellect and his dedication to his work.

He is survived by his wife, Roberta; two daughters, Virginia Hallett and Lucinda Linton; two sons, Stephen Cripe and C. Russell Cripe; seven grandchildren; and one great-grandchild.

A memorial service was held on March 1 in his hometown of Goshen, Indiana.

The Agency extends its sympathy to the family and friends of Mr. Cripe. ■

Temporary Administrative Rule Re: Advertising Now in Effect

Real Estate Agency Staff

Based on the work done by the Licensing/Brokerage Rule Review work group (see “Work Continues on Rule Review” on page 1), the Real Estate Agency has made changes to the administrative rule regarding advertising by real estate licensees.

Some highlights are:

- The licensed name or registered business name of the principal real estate broker, sole practitioner real estate broker, or property manager must be prominently displayed, immediately noticeable, and conspicuous in all advertising related to professional real estate activity.
- If advertising includes the licensee’s name, the licensee’s licensed name must be used or a common deriva-

tive of the licensee’s first name may be used.

- A real estate broker must submit all advertising to the principal real estate broker for review and approval prior to releasing advertising to the public.
- A principal real estate broker is responsible for advertising that states the principal real estate broker’s licensed name or registered business name.
- Advertising in electronic media now has specific requirements.
- Advertising using the term “team” or “group” now has specific requirements.

The full text of the temporary rule can be found on the Agency’s website at www.rea.state.or.us.

Senate Bill 1101: Withholding of Income Tax for Certain Real Estate Transactions

During the 2008 Special Session, the Oregon Legislature passed Senate Bill 1101. The bill, which becomes effective May 23, 2008, clarifies the language pertaining to the withholding of income taxes for certain real estate transactions. This affects escrow agents and some real estate brokers.

The updated language includes changes in the amount held, modification of the list of cases for which withholding is not required, and penalties if the authorized agent does not withhold the taxes. Please visit the Agency’s website at www.rea.state.or.us for a link to the complete text of the bill.

Renew Your Real Estate License Online

The Real Estate Agency implemented its online renewal service over one year ago. Over 3500 licensees have since taken advantage of this simple and safe way to renew a real estate broker or property

manager license.

If you are renewing your license this year, take a moment to learn more about it at www.rea.state.or.us, and click “Online License Renewals” from the left menu.

Continuing Education for Escrow Licensees Due in June

The deadline for escrow license renewals is June 30, 2006. The renewal process includes certification that the educational requirement for escrow staff has been met. ORS 696.511(6)(a) requires that escrow agency staff complete an average of six hours or more of training per year per permanent, full-time employee.

The education requirement pertains only

to escrow staff located in Oregon. The training must be in subjects that bear directly on the administration of escrows. The type and method of education is left to the discretion of the escrow licensee.

The Agency cannot specify topics, adopt rules, waive requirements, or approve classes.

Please contact the Education Section at (503) 378-4618, for more information. ■

OREGON REAL ESTATE
NEWS-JOURNAL
(USPS 905-220)

Official Publication
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The Oregon Real Estate News-Journal is published four times a year by the Oregon Real Estate Agency as an educational service to all real estate licensees in the state under the provisions of Section 696.445 of the Oregon Revised Statutes. \$4.00/biennium subscription fee included in real estate license fee. All other subscriptions \$2.00 per year. POSTMASTER: Send address changes to *Oregon Real Estate News-Journal*, 1177 Center St. N.E., Salem, OR 97301-2505.

Mesheal Heyman, Editor
Vol. 62, No. 1
May 2008
Periodicals postage paid at
Salem, Oregon

OREGON REAL ESTATE NEWS-JOURNAL, SALEM, OREGON 97301
Periodicals Postage Paid at Salem, Oregon