



Oregon

Theodore R. Kulongoski, Governor

Real Estate Agency

1177 Center Street NE

Salem, OR 97301-2505

Phone: (503) 378-4170

Regulations Fax: (503) 373-7153

Admin. Fax: (503) 378-2491

Licensing Fax: (503) 378-3256

www.rea.state.or.us

Notice of Agenda
OREGON REAL ESTATE BOARD
Regular Meeting Agenda
Monday, August 20, 2007, 10 a.m.
Holiday Inn Express
204 West Marine Drive
Astoria, Oregon 97103

Note: The board will recess at noon to join the Clatsop Association of Realtors for a luncheon at the Holiday Inn Express and reconvene following to complete the agenda, if necessary.

I. BOARD BUSINESS

- A. Call to Order
- B. Roll Call
- C. Approval of the Agenda and Order of Business
- D. Approval of the June 18, 2007, regular meeting minutes
- E. Date of the Next Meeting: October 15, 2007, in Medford

II. PUBLIC COMMENT

This time is set aside for persons wishing to address the board on matters not on the agenda. Speakers will be limited to five minutes. The board chair reserves the right to further limit or exclude repetitious or irrelevant presentations. If written material is included, 12 copies of all information to be distributed to board members should be given to the Board Liaison prior to the meeting. Action will not be taken at this meeting on citizen comments. The board, however, after hearing from interested citizens, may place items on a future agenda so proper notice may be given to all interested parties. If no one wishes to comment, the next scheduled agenda item will be considered.

III. REQUESTS FOR WAIVERS

- A. Waiver request log. *Note: There has been no change in the log for the last two months, so it was not reprinted.*
- B. Richard Morrow requests experience requirement waiver for a principal real estate broker license. **(late mailing)**

IV. BOARD ADVICE/ACTION

- A. Board approve final version of licensing rules for permanent filing by September 16, 2007. **(late mailing)**
- B. Discuss format for administrative actions for the *OREN-J*.

- C. Discuss invitations from Eugene Association of Realtors and Central Oregon Coast Board of Realtors for 2008 board meetings.
- D. Discuss guiding principles and request input for Agency rule review. **(late mailing)**
- E. Agency rule review schedule.

V. NEW BUSINESS - None

VI. COMMUNICATIONS

- A. Administrative Actions Summary
- B. Letter from Robert Burness regarding ADA accommodations to take exam.

VII. REPORTS

- A. Commissioner Gene Bentley
 - 1. Deputy Commissioner recruitment status.
 - 2. Board member appointment status.
 - 3. 2007 Legislative summary.
- B. Deputy Commissioner Katie Cannon
 - 1. Customer Service Survey
 - 2. Agency and section standards of customer service.
- C. Agency section/division reports
- D. Chair Graeper report on the July 12, 2007, joint meeting with OAR on education.
- E. Chair Graeper report on PSI examination question review July 25, 2007.
- F. Board Member Ribera-Card report on the Property Management Education/Exam Work Group meeting July 10, 2007.

VIII. ANNOUNCEMENTS

- A. The October 15, 2007, board meeting will be in Medford, Oregon.
- B. Board member training is scheduled for September 11, 2007.

IX. ADJOURNMENT

Interpreter services or auxiliary aids for persons with disabilities are available upon advance request.



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State of Oregon Real Estate Agency

REAL ESTATE BOARD

Regular Meeting Minutes

June 18, 2007

- MEMBERS PRESENT:** Michael Graeper, Chair
Troy Costales, Vice-Chair
Victor Kee
Arthur Kegler
Maxine Ribera-Card
Marianne Wood
- MEMBERS ABSENT:** Robert LaDu
John Zupan
- STAFF PRESENT:** Gene Bentley, Commissioner
Katie Cannon, Deputy Commissioner
Dean Owens, Administrative Services Manager
Leandra Cooley, Administrative Specialist
Louann Rahmig, Board Liaison
- GUESTS PRESENT:** Max E. Smith, Max E. Smith & Associates, P.C.
Joyce Beach, Oregon Association of Realtors (OAR)
Jana Jarvis, OAR

I. BOARD BUSINESS

- A. Call to Order.** Chair Graeper called the meeting to order at 10 a.m. at the Real Estate Agency office, 1177 Center Street NE, Salem, Oregon.
- B. Roll Call.** Robert LaDu and John Zupan were excused.
- C. Approval of the Agenda and Order of Business.** The agenda was approved as submitted.
- D. Approval of the April 16, 2007, regular meeting minutes.** The minutes were approved as submitted.
- E. Date of the Next Meeting.** August 20, 2007, in Astoria, Oregon.

II. PUBLIC COMMENT.

Max E. Smith, Max E. Smith & Associates, spoke later in the meeting. (Refer to the minutes following "Announcements.")

III. REQUESTS FOR WAIVERS

Waiver request log. No discussion.

IV. BOARD ADVICE/ACTION

A. Approve final version of advertising rule for permanent filing by June 29. Ms. Cannon distributed the latest version of the rules, prepared from comments received by agency staff and advisory committee members (**EXHIBIT A**). Discussion. Art Kegler commented that he doesn't think the font size is a significant issue. He is uncomfortable with the limitation.

Chair Graeper thinks the rule should be written so that if there is egregious violation, action would be taken. It seemed to him that if information is misleading to the public, a violation has occurred. He asked if the rule had been reviewed by the Attorney General. Ms. Cannon responded that it will be after it is finalized. The chair continued that it seems it could be in violation of the Oregon Constitution and may be challenged.

Maxine Ribera-Card raised an issue about "corporation" names being larger than the primary company name. Marianne Wood indicated that she is experiencing that some "teams" are creating "brands" and their own stationery and their advertising shows that information instead of the company name. She is seeing signs where the franchise name is very small in comparison.

Mr. Kegler commented that in web page advertising, "ratio" is problematic and feels this is an infringement on freedom of speech. He suggested using a ratio like 1-1/2 to 1 or similar language and felt further review was needed. Ms. Wood asked what font size would standardize "misleading."

Commissioner Bentley offered that this part of the rule was at the request of the industry members on the advisory committee. The real purpose is that the advertising isn't misleading to the public. The issue is where the broker name is very large and the company name is small. The agency is looking for a way to enforce. Chair Graeper suggested that the rule be worded so advertising is not misleading to the public. Mr. Costales emphasized that enforceability is key. If the specifics are not in rule, the agency could create a policy to use discretion (without review). If left up to someone's opinion for basis of enforcement, cases will not hold up.

Ms. Ribera-Card suggested that it be in written corporation policy manuals, how advertising is to be done. Mr. Kegler agreed that is a good place to put it. Everything needs to be legible. A ratio could be used as a limit and defined in rule. Maybe we could proceed with this rule, as the total agency rule review provides another opportunity to modify.

Mr. Costales stated that if the responsibility lies within the company to have a policy in place, the burden of enforcement then falls onto the company rather than the agency. Mr. Kegler felt company policy is fine but there needs to be a top parameter not to be exceeded.

MOTION BY TROY COSTALES TO APPROVE RULE. Discussion. Mr. Kegler asked if this can be changed. Ms. Cannon responded yes. The commissioner stated that in discussion with the chair, a later implementation date would allow current inventory to be used up.

MOTION CARRIED UNANIMOUSLY.

The chair requested the board comments be made a part of the rulemaking record.

B. Board advice on posting board meeting packets on Agency website. Chair Graeper asked if waiver requests would be included. Ms. Cannon responded that the waiver request form would be, but not all the “backup” information. Mr. Costales responded that their boards’ entire packets are on the web. The board felt this is a good idea. The commissioner asked members if they wish to access the packets online or continue receiving hard copies. Board members requested hard copies.

V. NEW BUSINESS

A. Discuss complete rule review of agency administrative rules. Request board members to be on the advisory committees. Ms. Cannon explained that since the task will be broken down into four areas, the agency would like to have more than one board member participate. Ms. Ribera-Card asked about the timeframe and time commitment. Commissioner Bentley explained that we will start with a group to establish concepts, and then draft rules so the agency wants as much input as possible. There is a high probability that some statutes will need to be addressed. Ms. Ribera-Card volunteered to work on the property management rules; Ms. Wood and Mr. Kee on licensing; and Mr. Kegler on land development.

B. Future topics for discussion. None.

VI. COMMUNICATIONS

A. Administrative Actions Summary. Report included in board packet. The commissioner explained how the fines are calculated. Commissioner Bentley is considering reducing the amount of information published in the *OREN-J* and providing a link to the “full record” for those wanting more detail.

B. Frequently Asked Questions (FAQ) report. Report included in board packet.

C. Copies of letters to/from the Governor’s office on SB 324. Letters included in board packet.

D. Copy of letter to Curtis Irving on document initialing. Letter included in board packet. The issue can be taken up during the rule review. Mr. Irving has agreed to participate in this activity.

E. Copy of letter to OAR on sales concessions. Letter included in board packet. Chair Graeper asked if the appraisers have responded. Ms. Cannon advised that a legislative change would be needed and the agency advised them of that. Several

industries are involved. It is too late for this session but could be considered for a future session.

- F. Collaborative Real Estate Board/Commissioner Model.** Included in board packet. Ms. Cannon reported this was prepared by the agency using comments from Peter Cogswell (Governor's office). Mr. Bentley indicated the agency has a budget note to recreate a similar task force to revisit this issue. Ms. Cannon added that no legislative assignments have been made yet. Mr. Kegler felt that continuity from the previous task force is important.

VII. REPORTS

- A. Commissioner Gene Bentley.** The commissioner wants to visit with the board about their role in the future.

B. Deputy Commissioner Katie Cannon

- 1. 2007 Legislative report.** Included in board packet. Ms. Cannon distributed the bills that have been signed: SB 166 (cleanup of HB 2604 [2005]); SB 167 (cleanup of inconsistent language); SB 168 (allows late renewal of escrow licenses); HB 2252 (allows criminal background checks on employees and replaces an executive order that has been in place allowing this in the past) (**EXHIBIT B**). Information will be placed on our website of pertinent bills.
- 2. Report on 2007-09 agency budget.** Included in board packet. Ms. Cannon advised of correction to 29.63 fte (full-time equivalents) from 30.63. She distributed and explained the agency's budget note (**EXHIBIT C**). The land development and licensing positions will be continued as limited duration next biennium (2007-09). The commissioner added that the licensing system has limited capabilities and the agency wants to expand usage so more online services can be available.
- 3. Online licensing: Phase Two timeline.** Included in board packet. Dean Owens, Administrative Services Manager, is looking at many alternatives for expanding the licensing system. Commissioner Bentley added that licensees want renewal confirmations to go to principal brokers, which the system does not now provide.
- 4. Hits on the OREN-J on agency website.** The agency wasn't able to obtain information this month.

- C. Board Member Troy Costales report on appearance before Ways and Means.** Mr. Costales reported on the board's role, noted the recent reviews of the agency, and advised the committee of subsequent actions taken as a result of those reviews. The chair expressed appreciation for testifying.

- D. Chair Graeper report on the joint meeting with OAR on education.** The chair shared OAR's notes with the board members (**EXHIBIT D**). A second meeting is planned at the agency. Ms. Cannon reported that ARELLO presented information at a recent conference on certification of instructors that Mesheal Heyman could provide to the group. The commissioner added that the association (ARELLO) is gearing up

to approve/certify classes. Ms. Cannon referred to **EXHIBIT C** on compliance reviews. There has been feedback from brokers and principal brokers indicating they like our process. The “Summary of Performance Measure Action” contains a measurement item on assessing whether exam questions are appropriate and if they adequately test applicants. The agency is not sure how to measure this and requests the board’s input.

E. Board Member Ribera-Card report on the Property Management

Education/Exam Work Group. Ms. Ribera-Card reported that the group is planning a meeting by the end of this month to finalize recommendations for the board. Mr. Bentley asked if the group is dealing with trust accounts and reconciliations. Ms. Ribera-Card responded that these were important issues for the committee.

VIII. ANNOUNCEMENTS

The August 20, 2007, board meeting will be in Astoria, Oregon. Board Member Victor Kee reported that the local realtors’ association would like to have the commissioner and possibly the board chair speak at a luncheon the day of the meeting. The commissioner wants to meet principal brokers throughout the state to discuss issues, and will plan to speak about the rule and statute review. Mr. Costales offered that the agenda should reflect a recess for the lunch period. If there is a quorum of board members attending the luncheon, it must be open to the public.

Public comment (taken out of order). Max E. Smith, real estate appraiser, appeared to discuss the concessions issue, referring to several documents (**EXHIBIT E**). He has asked for a formal opinion from the Attorney General. He doesn’t believe the board has all the facts.

Ms. Ribera-Card clarified that the Real Estate Agency doesn’t oversee appraisers. Ms. Cannon reiterated that it is a statute problem. Disclosure will require a statute change. The chair reported on the meeting with the appraisers regarding this issue. Raul Ramirez spoke to the board in February. The attorney for OAR issued information to their membership. The concern has been shared.

The commissioner asked if the board members want to receive the “ARELLOgram” (**EXHIBIT F**). Several already receive it. He asked that members review and approve their bios for posting to the agency website (**EXHIBIT G**). Mr. Costales suggested adding a statement that board members continue to serve until replaced by the Governor.

IX. ADJOURNMENT

Chair Graeper adjourned the meeting at .m.11:52 a.m.

Meet the Commissioner.

Respectfully submitted:

GENE BENTLEY
COMMISSIONER

Respectfully submitted:

MICHAEL R. GRAEPER
BOARD CHAIR

Exhibits distributed:

- A. OAR 863-015-0125 advertising rule documents, *Agenda Item IV.A.*
- B. Approved 2007 Legislative bills, *Agenda Item VII.B.1.*
- C. REA Budget Report, *Agenda Item VII.B.2.*
- D. Joint REA/OAR Education Meeting Notes 5/9/07, *Agenda Item VII.D.*
- E. Documents from Max E. Smith, *Public Comment*
- F. *ARELLOgram* June 15, 2007
- G. Board Member bios

DRAFT

ADMINISTRATIVE ACTIONS

(mock-up for Board review)

REVOCATIONS

Baronian, Deborah D. (Gresham) Property Manager #970300128

Default Order dated July 9, 2007, effective August 1, 2007. Baronian failed to provide monthly statements to owner, did not obtain approval from owner to place their funds in an interest-bearing Clients Trust Account (CTA), did not obtain prior written approval from tenants to put security deposits in an interest-bearing CTA, failed to maintain adequate property management records, deposited personal funds into the CTA, did not know how much money she should have on deposit for owner, could not determine how much money she had on deposit for owner, and failed to maintain records adequate enough to track income and expenses.

Violations: OAR 863-025-0055(3), 863-025-0025(8), 863-025-0035(1), 863-025-0065(3), ORS 696.301(12)

Bellemare, Gina Marlene (McMinnville) Broker #200312076

Stipulated order dated June 6, 2007, effective June 6, 2007. Sellers complained that Bellemare forged their initials on real estate transaction documents. Bellemare forged the sellers' initials and signatures on transaction documents in the sale of their personal residence.

Violation: ORS 696.301(14)

Dillard, Carvel Gordon (Medford) Broker #890500246

Default order dated June 20, 2007, effective June 20, 2007. Gordon was convicted of Sexual Abuse 2, a Class C. Felony; Prostitution, a Class A Misdemeanor; and Tampering with a Witness. Dillard did not report his convictions to OREA.

Violations ORS 696.301(26), OAR 863-015-0175(3) (2003 Edition)

SUSPENSIONS

None.

REPRIMANDS

Boyd (Broom), Heather Ann (Forest Grove) Broker #200408070

Stipulated order dated June 5, 2007. OREA received a complaint from the Dept of Justice regarding allegations that were filed involving Broom and others. Broom was involved with a partner and doing business as The Northwest Foreclosure Group (TNWFG). Broom represented both seller and buyer (TNWFG) in a transaction. Broom did not disclose that she was an owner of TNWFG. There were various documents in the transaction with date irregularities, which Broom could not explain.

Violations: ORS 696.815(2)(a) and 696.805(3)(c) (2003 Edition)

Cooper, Ed "Coop" (Medford) Broker #910300229

Stipulated order dated July 2, 2007. Cooper performed a competitive market analysis for an individual who had an active listing with another broker.

Violation: ORS 696.301(7)

Tkachev, Boris V. (Portland) Broker #200603200

Default order dated June 20, 2007. OREA received a complaint that Equity Investments LLC advertised property for sale on craigslist.com before to obtaining ownership of the property. Tkachev was the owner of Equity Investments LLC. Tkachev held a real estate broker license and did not provide his principal broker transaction documentation in three transactions involving Equity Investments LLC.

Violation: OAR 863-015-0145(3)

CIVIL PENALTIES

Expired — OAR 863-015-0050(2) — 31-60 days — \$100
Godfrey, Dennis Alan (Medford) Broker #200304225
Lamont, Brad W. (Grants Pass) Broker #200112064
Stine, Jonathan M. (Grants Pass) Broker #200301010

Expired — OAR 863-015-0050(2) — 181-210 days — \$2,600
Keele, John Wesley (Hillsboro) Broker #200404370
Klontz, Ryan M. (Redmond) Broker #200209020

Expired — OAR 863-015-0050(2) — 331-360 days — \$5,100
Brown, J. Steve (Portland) Broker #970700203

Unlicensed — ORS 696.020(1) — The amount of civil penalty depends on the amount of professional real estate activity conducted:

Kirtz, Anthony (Medford) \$500
Koeller, Chad Kurtis (Bend) \$500
Visage, Dale & Diana (Medford) \$500



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August 1, 2007

TO: REAL ESTATE AGENCY BOARD MEMBERS

FROM: LOUANN RAHMIG, BOARD LIAISON

SUBJECT: BOARD MEETING INVITATIONS FOR 2008

HISTORY: At the December 19, 2006, board meeting, the board requested that letters be sent to all of the boards and associations indicating willingness by the board to meet in their locale. In April 2007, the Board Chair sent out these letters.

Invitations have been received from the Central Oregon Coast Board of Realtors (Florence) and the Eugene Association of Realtors for meetings in 2008.

ACTION REQUESTED: Board discuss these requests and recommend dates for the meetings. The board liaison will then prepare a 2008 meeting calendar for the board's approval at the October 15, 2007 meeting.

OREA Full Rule Review 2007-08
Rule Making Process – Proposed
OREA Rule Division Proposed Schedule
(Draft 8-6-07)

Task	Property Management*	Background Check (2005 - HB 2157)	Licensing**	Escrow***
Facilitator	Laurie Skillman		Geoff Guilfooy	Geoff Guilfooy
Rule Writer	Rule Writer A	Rule Writer A	Rule Writer B	Rule Writer A
Agency staff meet to discuss possible rule & statute changes & guiding principles (GP).	July 23-August 15, 2007 <ul style="list-style-type: none"> • Issues: August 13 in afternoon; staff only • Second meeting, if necessary, August 15 	Staff Only: 1) Convert the model rules to meet licensee requirements. 2) Develop guiding principals	July 23-August 15, 2007 <ul style="list-style-type: none"> • Issues: August 13 in afternoon; staff only • Second meeting, if necessary, August 15 	July 23-August 15, 2007 <ul style="list-style-type: none"> • Issues: August 13 in afternoon; staff only • Second meeting, if necessary, August 15
E-mail draft guiding principals, working/not working to OREA Board	August 15, 2007	N/A	August 15, 2007	August 15, 2007
Draft GP concepts & send working group, staff, rule drafter	Complete draft: August 31, 2007	Complete draft: August 31, 2007	Complete draft concepts: August 31, 2007	Complete draft concepts: August 31, 2007
<i>File rulemaking notice</i>	<i>September 13, 2007</i>	<i>September 13, 2007</i>	<i>September 13, 2007</i>	<i>December 14, 2007</i>
<i>Rulemaking published in Oregon Bulletin</i>	<i>October 1, 2007</i>	<i>October 1, 2007</i>	<i>October 1, 2007</i>	<i>January 1, 2008</i>
<i>Distribute rulemaking notice to interested parties (including legislators) and post to Web</i>	<i>By October 1, 2007</i>	<i>By October 1, 2007</i>	<i>By October 1, 2007</i>	<i>By January 1, 2008</i>
<i>Publish rulemaking notice in OREN-J and Commissioner's Bulletin</i>	<i>October 1-15, 2007</i>	<i>October 1-15, 2007</i>	<i>October 1-15, 2007</i>	<i>December 1-15, 2007</i>
Provide Working Group (WG), facilitator & rule writer with following materials: Current rules and statutes; game plan for the upcoming months; ultimate goal for current rule revisions; draft concepts and future statutory changes	September 12, 2007	September 14, 2007	September 7, 2007	February 27, 2008
Working group meets to discuss principles & concepts <ul style="list-style-type: none"> • Discuss basics: how statutes and rules relate to each other; what is authority; etc. • Discuss goals, process & schedule based on Connie's outline • Last meeting gains consensus on concepts 	September 19, 2007 (Discuss temporary rules about out-of-state records) October 3, 2007 October 16, 2007	October 11, 2007 October 25, 2007 November 8, 2007	September 26 - November 30, 2007 (5 meetings) Sept. 26 Oct. 10 Oct. 24 Nov. 6 Nov. 20	April 1- May 15, 2008 April 8, 2008 April 22, 2008 May 6, 2008

Possible temporary rule on PM out-of-state records & disputed funds	November 1, 2007 – April 28, 2008			
Review advertising rule for 3-1-08 effective date			December 3, 2007	
Redraft concepts & send guiding principals and concepts to working group & staff for review.	November 2, 2007	November 27, 2007	December 5, 2007	May 20, 2008
Feedback from WG to staff	November 16, 2007	December 7, 2007	December 14, 2007	June 3, 2008
Preliminary review by staff of draft changes		December 21, 2007	January 18, 2008	June 17, 2008
Deadline for finalizing draft rules #1	December 7, 2007	January 4, 2008	January 25, 2008	July 8, 2008
Mail out Draft #1 to working group & advisory committee	December 11, 2007	January 8, 2008	January 29, 2008	July 10, 2008
Advisory committee meets to review draft and provide final input	January 8, 2008 January 15, 2008 (If a temporary rule is used for out of state records, peel off and process alone. Otherwise will not meet the 180-day rule.)	January 16, 2008	February 6, 2008 – 6 hours February 20, 2008 – 6 hours March 5, 2008 – 6 hours March 19, 2008 – 6 hours	July 22, 2008 August 12, 2008 August 26, 2008
Staff review preliminary Draft #2	January 24, 2008	January 23, 2008	April 18, 2008	September 9, 2008
Finalize Draft Rules #2 to move forward to Board	January 30, 2008	February 1, 2008	April 25, 2008	September 23, 2008
Send final draft (#2)to Board, Working Group, Advisory Group, AAG Raul Rameriz and staff (Board views 45 days prior to publication)	February 4, 2008	February 4, 2008	April 29, 2008	October 1, 2008
Feedback due from Board, Working Group, Advisory Group, AAG and Staff	March 14, 2008	March 14, 2008 (Board, Working Group, staff feedback)	May 16, 2008	November 7, 2008
Board approves rules for public hearing. Include comments and vote in hearing notice.	April 7, 2008 (need to change this meeting to the first week in April to meet filing deadline)	April 7, 2008 (need to change this meeting to the first week in April to meet filing deadline)	June 9, 2008 (meeting moved up one week to meet filing deadlines)	December 8, 2008 (move one week.)
File hearing notice	April 15, 2008	April 15, 2008	June 13, 2008	December 15, 2008
Temporary rule adopted as permanent rule	April 28, 2008			
Hearing notice published in <i>Oregon Bulletin</i>	May 1, 2008	May 1, 2008	July 1, 2008	January 1, 2009
Distribute hearing notice to interested parties, legislators, & staff & post on website	By May 1, 2008	By May 1, 2008	By July 1, 2008	By January 1, 2009
Public hearing on rules	May 22, 2008	May 22, 2008	July 23, 2008	January 26, 2009
Hearings officer and Agency report prepared for the board	June 27, 2008	June 27, 2008	August 13, 2008	February 20, 2009
Finalize rules (version #3)	July 18, 2008	July 18, 2008	September 12, 2008	March 13, 2009

Send final rules to Board, Raul Rameriz & staff	August 4, 2008	August 4, 2008	September 17, 2008	March 30, 2009
Board approves final rules (version #3) for filing	August 11, 2008	August 11, 2008	October 13, 2008	April 13, 2009 (move meeting to second Monday)
File rules with the Secretary of State	September 1, 2008	September 1, 2008	October 14, 2008	April 15, 2009
New rules in place and effective	September 1, 2008: Temporary rule: April 28, 2008 (if a prior temp rule.)	September 1, 2008:	November 1, 2008	May 1, 2009
Deliver copy of rules to Legislative Counsel (10 days following filing)	By September 1, 2008	September 1, 2008	November 1, 2008	May 1, 2009
Post final rules on website & publish in OREN-J & Commissioner's Bulletin	September 1, 2008	September 1, 2008	November 1, 2008	May 1, 2009

* Include rule(s) from SB 166 on disputed funds CTA

** Include rules from SB 167 on out-of-state records & to clean up terminology

*** Include rules (if needed) from SB 168, late license renewal

Assumptions

- Dependent upon hiring another legally trained individual to draft and finalize rules
- Board meets every other month (August, October, December, February, April and June—third Monday of the month)
- Secretary of State filings by the 15th of the month for publication the 1st of the following month
- ORS 696.385(4)(a): Submit a copy of the proposed rule to the Real Estate Board at least 45 days prior to publication of the notice of intended action required under ORS 183.335 for the rule.
- ORS 183.335: Submit a copy of hearing notice to legislators at least 49 days prior to effective date of rules.

REA Board
Administrative Actions
June, 2007 through July, 2007

REVOCATIONS

Name	Violations	Facts	Order Date & Type Sanction
Baronian, Deborah D.	OAR 863-025-0055(3), 863-025-0025(8), 863-025-0035(1), 863-025-0065(3), ORS 696.301(12)	Baronian failed to provide monthly statements to owner, did not obtain approval from owner to place their funds in an interest-bearing CTA, did not obtain prior written approval from tenants to put security deposits in an interest-bearing CTA, failed to maintain adequate property management records, deposited personal funds into the CTA, did not know how much money she should have on deposit for owner, could not determine how much money she had on deposit for owner, and failed to maintain records adequate enough to track income and expenses.	July 9, 2007 Default Revocation
Bellemare, Gina Marlene	Violation: ORS 696.301(14)	Sellers complained that Bellemare forged their initials on real estate transaction documents. Bellemare forged the sellers' initials and signatures on transaction documents in the sale of their personal residence.	June 6, 2007 Stipulated Revocation
Dillard, Carvel Gordon	ORS 696.301(26), OAR 863-015-0175(3) (2003 Edition)	Gordon was convicted of Sexual Abuse 2, a Class C. Felony; Prostitution, a Class A Misdemeanor; and Tampering with a Witness. Dillard did not report his convictions to OREA.	June 20, 2007 Default Revocation

SUSPENSIONS

None

REPRIMANDS

Name	Violations	Facts	Order Date & Type Sanction
Boyd (Broom), Heather Ann	ORS 696.815(2)(a) and 696.805(3)(c) (2003 Edition)	OREA received a complaint from the Dept of Justice regarding allegations that were filed involving Broom and others. Broom was involved with a partner and doing business as The Northwest Foreclosure Group (TNWFG). Broom represented both seller and buyer (TNWFG) in a transaction. Broom did not disclose that she was an owner of TNWFG. There were various documents in the transaction with date irregularities, which Broom could not explain.	June 5, 2007 Stipulated Reprimand
Cooper, Ed "Coop"	ORS 696.301(7)	Cooper performed a competitive market analysis for an individual who had an active listing with another broker.	July 2, 2007 Stipulated Reprimand
Tkachev, Boris V.	OAR 863-015-0145(3)	OREA received a complaint that Equity Investments LLC advertised property for sale on craigslist.com before to obtaining ownership of the property. Tkachev was the owner of Equity Investments LLC. Tkachev held a real estate broker license and did not provide his principal broker transaction documentation in three transactions involving Equity Investments LLC.	June 20, 2007 Default Reprimand

CIVIL PENALTIES - REAL ESTATE

Name	Violations	Facts	Order Date & Type Sanction
Godfrey, Dennis Alan	OAR 863-015-0050(2)	31-60 days	\$100
Lamont, Brad W.	OAR 863-015-0050(2)	31-60 days	\$100
Stine, Jonatham M.	OAR 863-015-0050(2)	31-60 days	\$100
Keele, John Wesley	OAR 863-015-0050(2)	181-210 days	\$2,600
Klontz, Ryan M.	OAR 863-015-0050(2)	181-210 days	\$2,600
Brown, J. Steve	OAR 863-015-0050(2)	331-360 days	\$5,100
Kirtz, Anthony	ORS 696.020(1)	Unlicensed professional real estate activity	\$500
Koeller, Chad Kurtis	ORS 696.020(1)	Unlicensed professional real estate activity	\$500
Visage, Dale & Diana	ORS 696.020(1)	Unlicensed professional real estate activity	\$500

CIVIL PENALTIES - ESCROW

None

2007 Legislative Session

Bills that impact the Real Estate Agency:

Bill Number	Description	Summary
SB 166	Relating to client trust accounts maintained by real estate brokers.	Directs Real Estate Agency to establish optional procedure for specified real estate licensees to disburse from client trust accounts disputed funds held in relation to sale, exchange or purchase of real estate. Governor signed 5/31/07. Effective 1/1/08. 2007 Oregon Laws (OL), Chapter 224
SB 167A	Relating to real estate activity.	Clarifies the authority of the Real Estate Agency to issue real estate licenses only to individuals. Defines “nonlicensed individual” to distinguish who may conduct professional real estate activity or engage in management of rental real estate. Conforms language to more effectively use defined terms. Governor signed 6/11/07. Effective 6/11/07. 2007 OL, chapter 319
SB 168	Relating to escrow agent licenses.	Authorizes the Real Estate Commissioner to allow late renewal of expired escrow agent licenses. Governor signed 5/31/07. Effective 1/1/08. 2007 OL, chapter 225
SB 482A	Relating to real estate broker compensation.	Modifies form requiring escrow agent to hold compensation due real estate broker. Defines “compensation” for purposes of statute relating to escrow agents. Makes conforming changes. Governor signed 6/11/07. Effective 1/1/08. 2007 OL, chapter 337
SB 5539A	Relating to financial administration of the Real Estate Agency.	Governor signed 6/25/07. Effective 6/25/07. 2007 OL, chapter 597
HB 2243B	Relating to agencies.	Removes discretion of applicant for renewal of license to choose between normal license term and extended term offered by the agency. Modifies expiration date for certain licenses, permits and certificates to allow agency to establish different expiration date by rule. Allows agency, without prior notice or hearing, to amend rules to change name of office, program or division or to correct address and telephone numbers referred to in rules. Governor signed July 16, 2007.
HB 2252B	Relating to criminal records checks.	Authorizes specified agencies to require fingerprinting of certain persons for purpose of criminal records checks. Governor signed 6/26/07. Effective 6/26/07. 2007 OL, chapter 619
HB 2490A	Relating to escrow agents.	Allows escrow agents to disburse deposited earnest money based on agreement of parties that is executed after initial sales agreement. Prohibits escrow agents from imposing additional requirement son principals to transaction. Governor signed 6/1/07. Effective 1/1/08. 2007 OL, chapter 289

Other bills of interest:

SB 543A	Relating to property governed by declarations.	Requires homeowners assn. & assn. of condominium unit owners to deposit assessments in federally insured bank acct. Removes requirement that bank acct. be located within state. Governor signed 6/11/07. Effective 6/11/07. 2007 OL, chapter 340
SB 561A	Relating to landlord-tenant law.	Allows tenant to cause repair of minor defect in dwelling unit if landlord fails to timely repair defect after tenant gives proper notice. Governor signed 6/20/07. Effective 1/1/08. 2007 OL, chapter 508
HB 2365	Relating to tenancies in real property.	Conforms language to modern form and style requirements. Clarifies that existing language abolishing joint tenancy is limited and applicable only to tenancies in real property. Governor signed 4/17/07. Effective 1/1/08. 2007 OL, chapter 64
HB 2498B	Relating to construction on existing structures.	Extends exemption from Construction Contractors Board licensing to owner who contracts with one or more licensed contractors to perform work on not more than four residential structures of owner within same calendar year. Specifies that exemption does not apply to owner contracted for work that requires building permit unless work requiring permit is performed by, or under direction of, general contractor. Governor signed 6/26/07. Effective 1/1/08. 2007 OL, chapter 639
HB 2665B	Relating to properties governed by declarations.	Revises provisions governing condominiums and planned communities. Governor signed 6/13/07. Effective 90 days following Sine Die. 2007 OL, chapter 409
HB 2666B	Relating to properties governed by declarations.	Revises provisions governing condominiums and planned communities. Governor signed 6/13/07. Effective 90 days following Sine Die. 2007 OL, chapter 410
HB 3186B	Relating to conversion condominiums.	Expands required contents for notice of condominium conversion. Governor signed June 28, 2007.
HB 3485C	Relating to affordable housing covenants.	Authorizes creation of affordable housing covenant restricting price, rental rate or occupancy to ensure adequate supply of rental and owner occupied affordable housing for low or moderate income households. Governor signed 6/27/07. Effective 1/1/08. 2007 OL, chapter 691



Oregon

Theodore R. Kulongoski, Governor

Real Estate Agency

1177 Center Street NE

Salem, OR 97301-2505

Phone: (503) 378-4170

Regulations Fax: (503) 373-7153

Admin. Fax: (503) 378-2491

Licensing Fax: (503) 378-3256

www.rea.state.or.us

Joint Meeting of OAR Education Task Force And Real Estate Board Education Work Group

July 12, 2007

NOTES

PRESENT: Mike Graeper Katie Cox Marianne Wood
Carol Dozois John Zupan Art Kegler
Steve Lucas Rick Harris Dave Koch
Don Robertson Joyce Beach Paul Gold
Yvonne Davis Gene Bentley Katie Cannon
Mesheal Heyman Louann Rahmig

The meeting was held at the Oregon Real Estate Agency office, 1177 Center Street NE, Salem, Oregon, and conducted by Mike Graeper, Chair of the Real Estate Board's Education Work Group.

Self-introductions.

Chair Graeper pointed to the items in the meeting packet:

1. Notes from May 9, 2007, joint meeting
2. Matt Farmer, OAR Counsel, January 16, 2007 "white paper"
3. Raul Ramirez, DOJ, information on statutory authority to set educational standards
4. Report on Agency's Authority, Requirements and Processes for Education
5. Guidelines for Oregon Private Real Estate Schools

Discussion items:

Critical decision testing. There needs to be assurance that brokers can perform. Critical path thinking is a must. How do we train and test for that?

According to Applied Measurement Professionals Inc. website (goamp.com), they provide certification organizations, governmental agencies, professional associations and private industry with innovative assessment and management solutions that focus on the appropriate application of technology and personal customer service.

Marianne Wood reported on Nebraska's testing simulator. Our current testing method is mostly "recall." It is difficult to teach analytical thinking in the 150 hours. There also needs to be a method to "screen out" those who cannot perform. The bar needs to be raised for entry level.

The commissioner asked about the "Questions and Answers" book. Most who rely on it don't pass the exam. Forms are taught but they are not part of the exam. We need to educate to the law but it is not practical to teach the forms "how to's."

Perhaps a "reality check" video is needed up front. Some are disappointed with the Advanced Real Estate Practices course. Perhaps it should be changed to include more practical applications. California will soon require three college level courses as an additional requirement.

Several aspects are needed that are outside the agency's authority, so cooperation from all would be needed. There was an explanation on how PSI creates questions.

There appears to be no accountability in post-licensing actions. More consumer education is needed.

Subcommittee to establish objectives for pre-license courses: Paul Gold, Katie Cox, Mesheal Heyman, Gene Bentley and someone from property management.

OAR to make a request for additional participants. Some educators want to be included. Mike Graeper will check with NAR for a video on real estate.

Core vs. elective course work and expansion of existing core categories. Why have electives at all? It was suggested to eliminate elective and expand the core categories and learning objectives. **Subcommittee:** Rick Harris, Chair, Steve Lucas, Don Robertson, Dave Koch, Yvonne Davis, Joyce Beach and Mesheal Heyman.

The commissioner explained the upcoming rule review and requested volunteers to help in that endeavor.

Instructor certification. Suggested including in work by the two subcommittees and that the board certify instructors.

Certification of distance learning. Can ARELLO process be adapted for continuing education? Use same certification as for pre-licensing. NAR has many classes approved for nearly every state. ARELLO will certify all instructors (including continuing education). Oregon just doesn't presently require it. **Note: Include this in the rule review.** **Subcommittee:** Mike Graeper, Paul Gold, Katie Cox and Mesheal Heyman.

Advanced Practices. **Subcommittee:** John Zupan and Art Kegler.

Brokerage Administration & Sales Supervision (BASS). Suggested splitting into two 20s and requiring sole practitioners take the management portion.