

# Oregon Real Estate News-Journal

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Commissioner  
Gene Bentley

## Get the Most Out of Continuing Education

*Gene Bentley, Real Estate Commissioner*

**A**s a broker, principal broker, or property manager, you must take at least 30 hours of continuing education every license period to renew your active license. It is your responsibility to know when your license renews and plan accordingly.

But every month we hear from licensees who must rush to complete classes before their licenses expire. And there are often a few who fail to meet the education requirements before their license expiration dates. Those licensees must stop their professional real estate activity until they have met the requirements to renew their license.

I find this very disappointing, because I see continuing education as an opportunity to improve your skills. By being smart with your education, you can improve your knowledge, help your clients, and make yourself more money. Your clients hire you for what you know.

Here are some tips on getting the most out of your required continuing education.

### Know Your Requirements

Review “Continuing Education Requirements” on page 5. Remember that new brokers and property managers must take the appropriate advanced practices course prior to their first active license renewal. And all licensees must take the 3-hour Law and Rule Required Course (LARRC) each license period.

### Identify Your Interests

What are your business goals? What tools or information do you need to reach your goals? Think about what [course topics](#) might align with your business goals. Then find, or request, classes in those topics that can help you meet those goals.

### Do the Research

Although certified continuing education providers and their instructors must meet *Please see **Get the Most Out of CE** on page 3*



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## Views from the Board

# Obstacles to Closing Your Real Estate Transaction

Coni Rathbone, Oregon Real Estate Board Member



Coni Rathbone

“Views from the Board” features the opinions of Real Estate Board members. The views expressed are not necessarily those of the *Oregon Real Estate News-Journal*, the Oregon Real Estate Agency or Agency staff.

**G**etting to closing is the goal of any real estate transaction, but it isn't always easy to reach. A few simple obstacles can delay or prevent your closing. They can come during negotiation or happen because of timing, due diligence (or lack thereof) or finances. Here are some issues you should watch out for. The following tips seem straightforward and easy to avoid, but you would be surprised at how often they come up and destroy a closing.

## Negotiation Obstacles

**Avoiding the Hard Issues.** Have you ever heard parties in a negotiation say, "Leave it to the lawyers to work out the details," or, "We'll figure it out at closing"? It's code for: "We're too chicken to talk about the hard stuff."

If you have inadequate documentation that fails to clarify all important business terms, issues will pop up throughout the transaction and at closing, such as how will prorations be handled, or how will net profit be calculated when determining an earn-out payment?

Make sure all parties have a consistent understanding of terms through proper documentation.

**Deal-Killers.** Lawyers sometimes push deals to the breaking point - and even over the cliff - by arguing about the language of minimal importance.

Every negotiator should understand all that if she wins every point in negotiations, she should watch her back at closing. Every transaction needs a deal-making lawyer, not a deal-killer lawyer.

**An Abused Party.** A party who has felt abused in negotiations will often become immovable at closing. The abused party will arrive at closing with the attitude that he will give the other side "not one penny more." This attitude makes resolving routine last-minute issues nearly impossible.

## Timing Obstacles

**No Clear Timelines.** When is your closing date? Is it date-certain or is it based on 30 or 60 days from something else? If it's something else, is that time frame determinable?

Prior to signing the agreement, outline key dates to make sure they flow to a final closing date.

**Last-Minute Schedules.** Don't wait until closing to complete asset lists, liabilities assumed or exhibit documents such as non-competes and estoppel documents.

If you haven't attached exhibit documents well before closing, be prepared to compromise on the terms you want or need.

## Due Diligence /Title Obstacles

**The Survey.** If a survey is going to be required, or if your lender is going to demand extended coverage title insurance, be sure you order the survey immediately. Surveys - and the problems they bring up - take time and often raise issues.

**Legal Descriptions.** It is pretty frustrating to get to closing and learn that the recorder will not record your deed due to a faulty legal description. Work with your title company to make sure that yours is accurate and that it is consistent with the survey.

*Please see **Obstacles to Closing** on page 4*

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## Get the Most Out of CE

Continued from page 1

the minimum requirements found in law and rule, it is up to you to find courses that meet your needs.

- Find a provider from the [list of certified continuing education providers](#).
- Ask other licensees for their recommendations.
- Consult with the continuing education provider to confirm the curriculum and learning objectives.
- Request information about the qualifications of the instructors.

### Use Your License Period

To really make the most of continuing education, don't wait to take classes until your license renewal month.

Waiting until the last minute limits your course options. Plus, the sooner you learn something new, the sooner you can start implementing it into your business practice.

- Look at your business' cycle for naturally slow times and plan to take classes then.
- Get course schedules from your favorite certified continuing education providers so you can determine which classes will meet your interests.

- As you complete a class, enter it into eLicense at that time so you don't have to enter all your classes at once during renewal.

### Bonus: Don't Limit Yourself

Just because a class might not count toward your renewal requirements doesn't mean you shouldn't take it. There are plenty of excellent educators who, for various reasons, choose not to become certified providers. If a class will further your career goals, enhance your knowledge, or make you a better person, consider taking it.

Of course, you can encourage a non-certified course provider to seek certification from the Agency. (Certification would need to be completed before you take the course for it to count toward your continuing education requirements.) However, the lack of credit does not negate the value of good, quality education.

Classes taken for the purpose of "just getting it done" is a waste of your time, effort, and money. Put some thought into how your education can meet licensing requirements and assist you in reaching your goals. ■

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# 2017 Legislative Update

As the 2017 legislative session continues, there has been movement on two of the Agency's bills.

## Senate Bill 68

[Senate Bill 68](#) will make changes to Oregon Revised Statutes 696.270 and 696.530, which sets fees for real estate and escrow license activities. It was passed out of subcommittee and forwarded to the full Ways and Means Committee. [Read a summary of SB 68](#).

## House Bill 5037

[House Bill 5037](#) is Agency's budget bill. It is part of the [Governor's Recommended Budget](#). It was passed out of subcommittee and forwarded to the full Ways and Means Committee.

The Agency will provide more information about these and other bills that will affect real estate licensees and the Agency in future issues of the *Oregon Real Estate News-Journal*. ■

## **Obstacles to Closing**

*Continued from page 2*

**Title Exceptions.** Everyone has experienced last-minute title exceptions, unrecorded or recorded leases, mechanics or judgment liens. You should request an updated preliminary title report shortly before closing to confirm there is nothing new.

**Environmental Discoveries.** In nearly every significant real estate transaction, a Phase I environmental site assessment is ordered, and everyone progresses based on finding nothing. Identify red flags, and if there are any, give sufficient time to receive the Phase I and Phase II, and to address any issues.

### **Financial Obstacles**

**Prepayment Penalties.** If the seller doesn't calculate his prepayment penalties into the financial aspects of the sale, he can arrive at closing without enough funds to close. Prepayment penalties can often be reduced through negotiations, but not if you wait until the closing date.

**Lender Delays.** Often, lenders won't deliver loan documents until the day before closing in an effort to minimize negotiation of their standard language. An issue growing in frequency is having a primary lender that is participating portions of the loan. If

one of the participants drops out at the last minute, the lender will not close until she finds a replacement, leaving the parties at the lender's mercy.

**Defeasance.** Defeasance is a process by which a seller can complete a transaction, despite having a prepayment prohibition in its existing loan. This situation arises when a lender has participated portions of the original loan to participants who have a right to a specified stream of payments.

In the defeasance transaction, the mortgage payments are substituted with government securities, thus enabling the seller to pay off the mortgage and sell the property. As with many of the obstacles, although a defeasance transaction is often available, it takes time.

Every experienced purchaser, seller or practitioner can run into obstacles that delay closing. By following this checklist, your transaction should go smoothly, and you should make it to closing in a timely and painless manner.

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### **Next Real Estate Board Meeting**

## **Gleneden Beach**

**Monday, June 5, 2017, 10:00 a.m.**

**Salishan Spa and Golf Resort**

**7760 N Hwy 101**

The public is welcome. Continuing education is available to licensees by pre-registering with the [Oregon Association of Realtors](#).

# CONTINUING EDUCATION REQUIREMENTS

*Learn about the hours you need to renew your active license.*

## Brokers

### **1<sup>ST</sup> ACTIVE RENEWAL**

- 27-Hour Broker Advanced Practices course
- 3-hour Law and Rule Required Course

### **ACTIVE RENEWALS AFTER 1<sup>ST</sup> ACTIVE RENEWAL**

- 27 hours from certified providers
- 3-hour Law and Rule Required Course

## Principal Brokers

### **EACH RENEWAL**

- 27 hours from certified providers
- 3-hour Law and Rule Required Course

## Property Managers

### **FIRST ACTIVE RENEWAL**

- 27-Hour Property Manager Advanced Practices
- 3-hour Law and Rule Required course

### **ACTIVE RENEWALS AFTER 1<sup>ST</sup> ACTIVE RENEWAL**

- 27 hours from certified providers
- 3-hour Law and Rule Required Course

### **List of Certified Continuing Education Providers:**

<https://orea.elicense.irondata.com/Lookup/GenerateRoster.aspx>

**Reactivating a license?** You may need continuing education. Contact the Agency for more information.

# Unmanned Aircraft Systems and Land Surveying Regulation

*Note: The Oregon Real Estate Agency is cooperating with the Oregon Board of Examiners for Engineering and Land Surveying to bring you this message.*

Unmanned Aircraft Systems (UAS), such as drones, have become a tool surveying professionals utilize to increase photo mapping capabilities and improve their ability to measure the surface of the of Earth. Well suited and complementary to traditional surveying technologies, UAS devices have also allowed hobbyists and certified operators to provide surveying services to individuals and

organizations unaware that these professions require professional licensure in the state of Oregon.

To help prevent individuals from engaging in illegal surveying, the Oregon Board of Examiners for Engineering and Land Surveying (OSBEELS) has developed educational materials to raise awareness around the land surveying and photogrammetry industries and requirements for professional licensure.

To learn more, visit the OSBEELS website at: <http://www.oregon.gov/Osbeels/Pages/articles/2017-Drone-Brochure.aspx> ■

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The Oregon Real Estate News-Journal is published 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.

Mesheal Heyman, Editor  
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## Reminder to New Brokers and Property Managers

### Advanced Practices Course Must Be Completed Before First Active License Renewal.

For more information, see [Continuing Education Requirements for Broker](#) or [Continuing Education Requirements for Property Manager](#).

## Administrative Actions

*The Oregon Real Estate Agency is required by law to publish disciplinary actions. The final order for each action can be viewed by clicking on the individual names listed below.*

*Please note that there are individuals with real estate licenses that may have similar or the same names as those listed below, even in the same market area. If you need verification that someone you know or with whom you are working has been disciplined, please contact the Agency.*

*Stipulated settlements do not necessarily reflect all the factual violations initially alleged by the Agency. Sanctions may have been adjusted as part of the negotiation process. Such settlements may not, therefore, directly compare in severity/sanction with other cases.*

## REPRIMAND

[Boehnen, Jerry](#) (Klamath Falls) Broker 970700070. Stipulated order dated January 9, 2017. ■