

# Oregon Real Estate News-Journal

Official Publication of the Oregon Real Estate Agency

Volume 73, Number 6, December 2019



Commissioner Steve Strobe

## #OwnIt

Steve Strobe, Real Estate Commissioner

In my former role, I had the pleasure of serving with 2018 National Association of Realtors President Elizabeth Mendenhall. Described in Inman's The Real Estate Influencers of 2017 as "accessible, firm but humble . . . pushing for a more transparent and open-minded industry," she is a role model and mentor. During her tenure, her mantra was "Own It." I quickly grew to appreciate this pithy statement, and I know many others did, too. Briefly described, it means take ownership of what we can, and when we bring our own talents to the table, the organization evolves.

While the mission is different at the Real Estate Agency versus the trade association, the concept applies.

### CUSTOMER SERVICE

We want our commitment to customer service to be self-evident whenever you interact with us. To gauge this, the Agency solicits feedback on the customer service experience

in five areas: accuracy, availability of information, expertise, helpfulness, and timeliness. Surveys are sent following phone calls and online inquiries, and we track results through Key Performance Measures (KPMs). I am pleased to report that we are exceeding target goals in all areas. These surveys also include the option to enter comments, and the leadership team and I read every one. Some excerpts from recent comments include:

*" . . . I can pick up the phone and get somebody to answer right away. That is something that seems to be going away these days, and it's very appreciated."*

*". . . (K)ind, helpful, prompt, efficient, and non-judgmental."*

*"No matter who I talk to at the agency they are always pleasant, knowledgeable and resourceful. They never sound too busy to help me and they are always cheerful and want to make sure my questions are answered."*

*Please see #OwnIt on page 3*



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### IN THIS ISSUE

#OwnIt .....	1	Refer Licensed Contractors, Home Inspectors Only .....	6
Governor Appoints Real Estate Board Members .....	2	Final Agency Acknowledgement Video Available .....	7
Vital Offices and Complying with the Law .....	4	Administrative Actions .....	7
It's My License Renewal Month! What Are My Continuing Education Requirements .....	5		



*Marie Due*



*Kim Hedding*

## **Governor Appoints Real Estate Board Members**

Marie Due and Kim Hedding were appointed to the Oregon Real Estate Board by Governor Kate Brown.

Marie Due is principal broker at RE/MAX Integrity in Eugene. Licensed since 2002, she has served as president of the Eugene Association of Realtors and chair of the OREF Forms Committee. Due is currently a member of the Central Oregon Coast Board of Realtors and planning a permanent move to the Florence area in 2020.

Kim Hedding is principal broker and owner at Golden Realty in Eugene. Licensed for 27 years, Hedding has served as president and broker director of the Eugene Association of Realtors and executive committee member of the Oregon Association of Realtors.

The Oregon Real Estate Agency welcomes Due and Hedding to the Board. ■

### ***Next Real Estate Board Meeting in Eugene***

**February 3, 2020, 10:00 a.m.**

[Location to be announced](#)

All are welcome at this regularly scheduled general meeting of the Oregon Real Estate Board.

## #OwnIt

Continued from page 1

*"If a question is time-sensitive, as it was today, they are right on top of it and make sure they get back to me prior to my deadline. Honestly, I have been impressed with the customer service I have received."*

*"I didn't have the feeling I was talking with a state agency, but a customer service-driven business. Top notch!"*

And it's not just the customer service staff who have received such feedback. Following investigations, Regulations staff have received comments such as:

*"I felt the investigation was completed fairly and impartially."*

*"I appreciated the investigator, who carefully listened to my side of the story."*

Are 100% of the feedback comments equally glowing? Full disclosure — they are not. Part of it relates to the nature of our work, as we handle complaints from licensees, consumers, and other stakeholders. But we don't hide behind that as an excuse or buffer. We use constructive feedback for training opportunities and to guide internal priorities for business process changes.

## COMPLIANCE

We occasionally get calls from licensees asking whether or not certain actions are violations of rule or statute, but they are unwilling to submit a complaint in writing. That is understandable, as there may be a reason why a licensee does not want to initiate a formal complaint at that moment. And as noted on our website relating to the complaint process: "The Real Estate Agency recommends that you discuss your concerns with the licensee first. If the licensee works for a real estate company, you may also try communicating with the licensee's principal broker."

This is one area in which we strive to strike a balance. When appropriate, you can expect customer service staff to escalate the call to answer the question. We recognize that when

licensees are trying to resolve a concern, they may need a question answered from the Agency to facilitate that process. But, as OAR 863-027-0010 requires that, "the agency shall use the methods and procedures in this rule to investigate complaints that allege grounds for discipline," please know that sometimes we may only be able refer to statute or rule and recommend consulting an attorney. We'll do our best to be responsive while staying within our authority.

## COMPLAINTS

To make the complaint process more consumer- and licensee-friendly, the Agency will be introducing an online complaint system next year. It will offer the ability to submit complaints online, upload supporting documents and evidence, and offer the ability to check the status of a case. The Agency currently copies the complainant on the outcome of any investigation, and that will not change with the new process. Recognizing that sometimes a complainant wishes to file anonymously, that ability also will be maintained.

With respect to anonymity, it is important to note that the Agency's ability to investigate is diminished when the complainant cannot be contacted for additional information. Additionally, the Agency cannot apprise the complainant of the outcome of the investigation. In these cases, there may be an appearance that no action was taken. However, the Agency may have issued an Education Letter of Advice which the Agency retains for six years and may be referenced in subsequent investigations.

We know that a spirit of cooperation needs to exist within the brokerage community, and you, too, need to strike a balance. A vast majority of licensees consistently adhere to their affirmative duties as required by statute, but we also know that we are all human. Sometimes consumers and licensees need to turn to us, and, in those instances, it takes your time and resources to work through a complaint. Without the help of consumers and licensees, violations will not be addressed. So, to the best of our abilities, we can all "Own It." ■

# Virtual Offices and Complying with the Law

Technology is such a big part of the real estate industry; you may text or email your clients more than you see them. As such, principal brokers and property managers may think they don't need a physical office. Or, they may fail to maintain records properly because they get "lost" in all the technology.

As a principal broker or property manager, how can you work "virtually" and still comply with the law?

## Establish a physical location in Oregon as your main office

[Oregon Revised Statute \(ORS\) 696.200](#) requires each principal broker and property manager to have a place of business designated as a main office that is physically located in Oregon.

The main office can be in your home (check with city or county codes) or an office space you share with other businesses. A post office box is not acceptable. It would be expected that anyone at the physical location would know how to reach you.

## Designate the physical location of your main office with a sign

ORS 696.200 also requires that the main office be designated with a sign with your registered business name on it.

This may be a problem for main offices located in homes where city codes or CC&Rs prohibit signs. But the law does not state a required size for the sign. Some principal brokers and property managers have been creative when complying with the statute. A doormat, a placard over the doorbell, and a business card in a window the near front door have all been used to comply with the signage requirement.

## Maintain your records as required by law

Remember that you must keep **complete and adequate records** of your professional real estate activity. Principal brokers should review the [Principal Brokers' Guide to Records of Professional Real Estate Activity](#). Property managers should [refer to Oregon Administrative Rule \(OAR\) 863-025-0035](#).

ORS 696.280 requires that

- Records are kept for 6 years.
- Records must be available for inspection by the Agency.
- You provide copies of any records as requested by the Commissioner or the Commissioner's representatives.

Records must be stored **in Oregon** at:

- Your main office,
- A branch office (for records generated at that location), or
- In a single location other than the main office or branch office with written notification to the Commissioner, written authorization to the Commissioner to inspect the records, and instructions on how to gain access to the records. [See OAR 863-015-0260](#) for more information.

Property management records may be stored outside the state, in the United States, with notice to the Commissioner. See OAR 863-025-0035 for more information.

Principal brokers may use electronic image records storage as long as it meets the requirements found in OAR 863-015-0260.

Part of the success of your "virtual office" depends on your ability to understand the license law requirements about your main office location, signage, and record retention. If you have questions, please contact the Agency at [orea.info@oregon.gov](mailto:orea.info@oregon.gov). ■

## It's My License Renewal Month!

# What Are My Continuing Education Requirements?



## Brokers

### **1st Active License Renewal**

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

### **Active License Renewals after 1st Active Renewal**

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

### **Inactive Renewal**

- No continuing education needed until license is reactivated.



## Principal Brokers

### **1st Active License Renewal**

- 27-hour Principal Broker Advanced Practices Course.
- 3-hour Law and Rule Required Course.

### **Active License Renewals after 1st Active Renewal**

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

### **Inactive Renewal**

- No continuing education needed until license is reactivated.



## Property Manager

### **1st Active License Renewal**

- 27-hour Property Manager Advanced Practices Course.
- 3-hour Law and Rule Required Course.

### **Active License Renewals after 1st Active Renewal**

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

### **Inactive Renewal**

- No continuing education needed until license is reactivated.



## Things to Remember

- Renewing your license inactive? You don't need continuing education.
- Continuing education classes are only good for 2 years from the time completed. You cannot carry classes or hours over to your next renewal period.
- Duplicate classes completed in the same 2 year period do not count toward renewal.
- Enter your continuing education course information from your certificates of attendance directly into eLicense while renewing your license. *There is no longer a record keeping form.*
- Keep your certificates of attendance for 3 years after the license renewal date. *The Oregon Real Estate Agency conducts* Please see **Continuing Education** on page 7

# Refer Licensed Contractors, Home Inspectors Only

*Editor's Note: This information is brought to you by the Oregon Construction Contractors Board (CCB). Please contact CCB with any questions concerning the licensing of contractors at (503) 378-4621 or [ccb.info@state.or.us](mailto:ccb.info@state.or.us).*

## Licensed Contractors

Many real estate transactions require some form of repair after the home inspection. It is common practice for a broker to offer a list of a few local contractors to the seller to do the work. It is critical that any contractor you refer a client to holds a valid CCB license while the work is being done. That way your client will have recourse if things don't go well. Always have the client check the contractor's current license status on the CCB's website at [www.oregon.gov/ccb](http://www.oregon.gov/ccb).

You should also make sure that the contracted work is noted in the sales agreement to tie the contractor to the buyer. CCB can only accept a complaint or claim if there is a direct contractual relationship between the new owner (buyer) and the contractor. The CCB suggests including an addendum with language similar to: "Jane Doe (seller) has contracted with XYZ Roofing, CCB #123456, to replace the roof at 123 Main St., Salem, Oregon, for the benefit of Roger Smith (buyer). The work was completed on 1/15/19."

## "Handyman"

Another issue to be aware of is that work completed by a "handyman" generally requires a contractor license. There are very tight rules around this, so if you are hiring or recommending someone to take care of minor repairs, you need to be sure they hold a valid CCB license. The Oregon Real Estate Agency advises that a broker who recommends someone unlicensed to complete work that requires a license risks disciplinary action by the Agency.

## Home Inspectors

Home inspectors must also be licensed with CCB. If you refer clients to home inspectors, make sure they are licensed. A broker who recommends an unlicensed home inspector could be sanctioned by the Agency.

Last year in central Oregon, an unlicensed home inspector performed at least 58 home inspections due to recommendations made by brokers. Several clients found problems after purchase. You can see this and other cases on the CCB Buyer Beware page at <https://www.oregon.gov/CCB/Pages/buyer-beware.aspx>.

## Home Flippers

Another problem CCB often sees is a flipped house being sold by an unlicensed entity. Even if the work was done by a licensed contractor, the buyer would have no recourse against faulty workmanship since they have no direct contractual relationship with the contractor.

In general, the flipper should have a developer or contractor license to be flipping homes. If not, a prudent broker should make the connection between the contractor and the buyer so that the link is not broken. This gets very complicated when the seller did some of the work and the contractor only did part of the work, or the owner acted as a general contractor and hired several subcontractors. You should advise your client to complete their own due diligence, making sure work done on the home was completed by licensed contractors with the correct permits.

*The Agency thanks the CCB for providing this useful and timely information. If you have questions about whether or not a contractor, handyman, inspector, or flipper needs or has a license, [please contact the CCB](mailto:ccb.info@state.or.us).* ■

# Final Agency Acknowledgement Video Available

The Oregon Real Estate Agency has a [new video](#) on how to fill out the Final Agency Acknowledgement required by [Oregon Administrative Rule 863-015-0200](#). Find it on the Agency's YouTube channel at <https://www.youtube.com/channel/UCOyh6h9Ed-PaYYwexggsx3g>.



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Official Publication

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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

Vol. 73, No. 6

December 2019

# 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 the same or similar names as those listed below, even in the same market area. If you are in doubt if an individual listed here is someone you know or you are working with, please contact the Agency for verification.

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 or sanction with other cases.

## CIVIL PENALTIES

### Oregon Escrow Law Violations

Any person who violates any provision of ORS 696.505 to 696.590, or any lawful rule or final order of the Real Estate Commissioner or any final judgment made by any court upon application of the commissioner, may be required

to forfeit and pay to the General Fund of the State Treasury, a civil penalty in an amount determined by the commissioner of not more than \$3,000 for each offense. Each violation shall be deemed a separate offense.

[Stewart Title Company](#) (Portland) 200909134. Stipulated Final Order issuing a \$5000 civil penalty dated October 31, 2019.

## Continuing Education

Continued from page 5

audits of licensees' continuing education records.

- If your license expires, you can no longer conduct professional real estate activity. You have 1 year to renew your expired license. To renew an expired license, you must complete your required continuing education and pay \$450 (\$300 renewal fee + \$150 late fee).
- If you are unable complete your education before your expiration date, you may

wish to renew your license inactive. The inactive license renewal fee is \$150, and there is no required continuing education. You cannot conduct professional real estate activity while inactive. Once you complete your continuing education, you can reactivate by paying the \$150 reactivation fee. The license reactivation is completed when the license is associated with a registered business name by the principal broker.