

Oregon Real Estate News-Journal

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Acting Commissioner
Dean Owens

All Property Managers Need Clients' Trust Accounts

Dean Owens, Acting Real Estate Commissioner

Property managers, and principal brokers engaged in property management, are often surprised to hear that they need a clients' trust account.

Who Needs a Clients' Trust Account?

[Oregon Revised Statute \(ORS\) 696.241](#) requires that you open and [maintain](#) at least one clients' trust account if you are:

- **A licensed property manager.** *Please note: Even if you do not handle trust funds, you are still required to have a clients' trust account. Just having an active property manager license triggers the clients' trust account requirement.*
- **A principal broker engaged in the management of rental real estate (ORS 696.010) for another.**

ORS 696.241 does not allow exceptions to the clients' trust account requirement.

Steps to a Opening Clients' Trust Account

1. Open an account at a "bank" as defined in ORS 696.010.
2. Include the words "clients' trust account," "client trust acct," "clients' trust account - security deposits" or "client trust account SD" in the name of the account with the bank.
3. Establish yourself as an authorized signer on the account. *Note: Property owners cannot be signers on trust accounts.*
4. Prepare and have a bank representative sign the [Notice of Clients' Trust Account and Authorization to Examine form](#) (PDF) for each account.
5. Make sure checks are:
 - a. Pre-printed with the words "clients' trust account," "client trust acct," "clients' trust account - security deposits," or "client trust account SD."

Please see CTAs on page 5



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Governor Appoints New Board Members in 2018



Debra Gisriel

Governor Kate Brown appointed **Debra Gisriel, Jose Gonzalez,** and **Susan Glen** to the Oregon Real Estate Board in 2018.

Ms. Gisriel's term started with the Board on March 9, 2018. She has been in the real estate industry for over 40 years. She has served in numerous leadership roles in the industry, chairing committees and serving as a local Realtor association president and past president of the Oregon Association of Realtors. Ms. Gisriel is currently a director for both state and national associations of Realtors.

She is currently the principal broker for eXp Realty, LLC and was the owner of Fisher Nicholson Realty in Klamath Falls.

In addition to her real estate leadership roles, she serves on the Klamath County Housing Authority and is on the Executive Committee of the Klamath County Economic Development Association.

She and her husband Tom spend their time between Klamath Falls and Springfield.

Mr. Gonzalez's appointment was effective April 1, 2018. He is the principal broker of Tu Casa Real Estate in Salem. He has been a full-time real estate professional since 1997, specializing in residential

and commercial transactions. His ability to speak Spanish has given him the special opportunity to assist thousands of families establish themselves in Oregon.

He was the 2014 recipient of the Distinguished Service Award at the Salem's First Citizens Awards Banquet by the Salem Area Chamber of Commerce. He has served on numerous boards and committees with a focus on child development, farm workers advocacy, small business support, and philanthropy to name a few.



Jose Gonzalez

Mr. Gonzalez is married to Shani and is the father of four wonderful children: JJ, Jazz, Soleil, and Armani. He was born in Portland and raised in the beautiful Willamette Valley. His over 20 years' experience in business, non-profit, community engagement, politics, healthcare and education have taught him building trust is the best first step.

Ms. Glen was appointed on October 3, 2018 to serve out the remaining term of departing

Board Member Coni Rathbone. She is a partner in Dunn Carney LLP, a full service law firm in Portland, where she chairs the firm's Real Estate team.

Ms. Glen has been practicing law in Or-

regon since 1994, with a focus on real estate transactions and business advising. Her experience handling commercial real estate acquisitions, sales, financing, construction, development, and leasing is broad and deep. She also has significant expertise and experience in condominium and planned community formation and homeowners association matters.

She received her J.D. from the University of Minnesota and a Bachelor of Arts degree from Carleton College. Before entering law school, she studied city and regional planning at The University of North Carolina at Chapel Hill and worked as a regional planner in New Hampshire.

Ms. Glen is a past president of the Com-
*Please see **New Board Members** on page 3*



Susan Glen

New and Reactivating Principal Brokers:

Required Advanced Practices Courses Now Available

The Oregon Real Estate Agency has started approving Principal Broker Advanced Practices (PBAP) courses. The list of approved courses is [available online](#) on the Agency's website.

House Bill 4048 requires principal brokers renewing an active license for the first time on or after July 1, 2019, take the [new 27-hour PBAP course](#). Also, any principal broker whose first renewal was inactive must also take the PBAP course to reactivate for the first time on or after July 1, 2019.

More PBAP course providers will be added to the list as courses are approved.

You need to take PBAP and the 3-hour Law and Rule Required Course (LARRC) if:

- Your license expires for the first time after July 1, 2019, and will be renewed active.
 - Your first license renewal was inactive, you are still inactive, and you will reactivate the license for the first time on or after July 1, 2019.
 - Your first license expiration date is before July 1, 2019, but you renew the license late on or after July 1, 2019.
- You will not need PBAP for your renewal on or after July 1, 2019 if:
- You have already renewed your current principal broker license active at least once.
 - You will renew your license inactive. (Please note that you will need PBAP and LARRC to [reactivate your license](#).) ■

Commissioner Recruitment Continues

The Department of Administrative Services, the state agency in charge of the recruitment for the Real Estate Commissioner position, reports a strong response to the job posting.

Evaluations of the submissions were completed October 15, and initial inter-

views are planned for early November.

As the recruitment process proceeds, the staff of Oregon Real Estate Agency continues operations as normal under the leadership of the Acting Real Estate Commissioner and the Agency's management team. ■

New Board Members

Continued from page 2

mercial Real Estate Women (CREW) Portland chapter. She currently serves on the public affairs committee of NAIOP's Oregon chapter and the education committee of the Real Estate and Land Use Section of the Oregon State Bar.

Outside the office, Ms. Glen enjoys spending time with family and friends, gardening, golfing, cycling, and fly fishing. ■

Next Board Meeting in Salem

at the [Oregon Real Estate Agency](#)

Monday, December 10, 10:00 a.m.

- Open to the public.
- Meet Board members and Oregon Real Estate Agency staff.

Frequently Asked Questions about Registered Business Name Renewals

This is the first year responsible licensees who run real estate or property management companies (principal brokers and property managers) must renew their registered business names (RBNs) with the Oregon Real Estate Agency annually. With 9 months of renewals completed, the Agency has seen increased reporting of clients' trust accounts, updated addresses, and corrected lists of associated licensees.

The Agency's staff often hears similar questions about this new renewal and its process.

Why do I have to renew my RBN? I've never had to before?

Senate Bill 67, passed in 2017, established RBN renewals. It was enacted to make sure that information about the RBN, such as responsible licensee, associated licensees, addresses, and clients' trust accounts are up-to-date on a yearly basis. *Please note: Oregon law requires that the Agency is notified within 10 business days of the opening or closing of a clients' trust account. It also requires that the Agency is notified before an RBN moves*

its main office. Those time frames will still be enforced.

I've always just done business under my license name. What changed?

As of January 1, 2018, you now have an RBN. This is so every license is associated with an RBN. If you were doing business under your license name, your RBN is your license name with the letters "RBN" after it. The eLicense login for your RBN is different from the login for your personal license.

I already renewed my RBN this year.

You may have renewed your business registration with the Corporations Division of the Secretary of State. This is a separate requirement. The requirement to renew your RBN with the Agency is new this year.

My login for eLicense isn't working.

The User ID and Password for RBN renewal
*Please see **RBN Renewal FAQs** on page 6*



Figure 1

Documents, Contracts, and Agreements . . . Oh My!

Meghan Lewis, Financial Investigator/Auditor, Oregon Real Estate Agency

It can be overwhelming to start, buy, or merge a business, much less one so document heavy as the real estate industry, and especially because professional real estate activity is a regulated profession. A real estate licensee in the state of Oregon is required, by the Oregon Real Estate Agency, and expected, by consumers, to operate their business and activities within the law.

While formulating this article I searched the Internet for sites that offered document resources for real estate professionals. I came across plenty of websites offering "easy to use" or "free to members" documents and templates related to professional real estate activity. And certainly there exists the temptation to copy, cut, and paste documents and contracts. One site, which included property management agreements and real estate purchase contracts, included a similarly worded disclaimer: *Please share, modify, and update documents for other members. Consult professionals and don't rely on these documents in and of themselves.*

While document sharing may seem like a friendly, supportive way for colleagues to help one another, seriously consider the second sentence in that disclaimer. Ask yourself:

- How do I know this licensee is up-to-date on the state laws that regulate our profession?
- Are there legal and ethical issues which can affect my license?
- Am I putting my license at risk by not doing my own due diligence?

The answer to the last question is yes. Investigators at the Agency have seen misinformation and violations occur when licensees share, assume, or "borrow" legal documents, such as rental applications, property management agreements, real estate purchase agreements, and independent contractor agreements to name a few.

The Agency cannot direct licensees on

how to run a real estate business, but we can help licensees interpret the Oregon Revised Statutes (ORS) and Oregon Administrative Rules (OAR) applicable to documents used in performing professional real estate activity. This assistance can help you decide what ORS and OAR you wish to incorporate into your business practice.

The Agency urges licensees to incorporate into standard practice an annual review of your documents for current legal practices and accurate citations of ORS Chapter 696 and OAR Chapter 863. You can find the current edition of ORS and OAR on the Agency website at www.oregon.gov/rea. When in doubt, please call the Agency. We are here to help.

You may also wish to refer your real estate practices to a competent attorney, preferably one with an emphasis in real estate state law. But bear in mind, as a real estate licensee, YOU are ultimately responsible for YOUR professional real estate activity.

Lastly, let's keep in touch throughout the year. Contact the Oregon Association of Realtors for classes taught by the Agency's Regulations Manager, Selina Barnes, for an opportunity to ask questions and learn more about interpretation, purpose, and prevention of violations of ORS and OAR. Look for the 2019 schedule at www.oregonrealtors.org. ■

CTAs

Continued from page 1

- b. Pre-numbered or, if computer generated, numbered consecutively.
6. Do not link a debit card to a clients' trust account or security deposit account.
7. Add the clients' trust account to your personal license account in eLicense within 10 business days from the date the trust account is opened. Contact the Agency with any questions. ■

Rulemaking to Implement House Bill 4048 Concludes

The Oregon Real Estate Agency is finishing the process to put the administrative rules in place for the Principal Broker Advanced Practice course requirements. Find below the rulemaking timeline culminating in the effective date of October 31, 2018.

- **June 4, 2018** Proposed rules changes presented to Real Estate Board and public at Board's public meeting. The Board gave its support for the proposed changes.
- **August 10, 2018** Notice of Proposed Rulemaking filed.
- **August 10 - September 28, 2018** Public comment open.
- **September 1, 2018** Notice published in

the Oregon Bulletin.

- **September 27, 2018** Hearing held
- **October 10, 2018** Final order for rules approved by Agency and filed with Secretary of State
- **October 31, 2018** Final order effective date.

House Bill 4048, passed by the 2018 Oregon Legislature, will require principal brokers renewing for the first time on or after July 1, 2019, or reactivating a license for the first time on or after July 1, 2019, after an inactive first renewal, to complete an advanced course in brokerage. The new law required the Agency to write rules to implement the law. ■

RBN Renewal FAQs

Continued from page 4

is different from your personal license login. Make sure you are using the User ID and Password provided in the letter or email sent from the Agency. You might also check to make sure your browser is not prepopulating the User ID and Password fields with the login for your personal license account.

I've logged into eLicense, but there is no place to renew my RBN.

First, make sure that you are logged in to your RBN account, not your personal license account. Check the name that follows "Welcome" in the eLicense welcome page. (See Figure 1 on [page 4](#).) It should be the RBN name. If it is showing your personal name, you are logged into the wrong account. The User ID and Password for RBN renewal is different from your personal license login. Check that you are using the User ID and Password provided in the RBN renewal letter or email sent from the Agency. You might also check to make sure your browser is not prepopulating the User ID and Password fields with the login for your personal license account.

Second, check to see if it's time to renew the RBN. Just like your personal license, an RBN can only be renewed during the month the registration expires. You can check the RBN expiration date by looking under the "Current Info" tab in eLicense.

Why is eLicense making me enter clients' trust account information during the RBN renewal?

All licensed property managers, and all principal brokers who engage in the management of rental real estate, are required to [open](#) and [maintain](#) at least one clients' trust account per Oregon Revised Statute (ORS) 696.241. If you are a property manager, have a property manager associated with your RBN, or indicated that you manage rental properties, you must have at least one clients' trust account opened.

All open clients' trust accounts must be reported to the Agency in eLicense per [ORS 696.245](#). Additionally, a completed [Notice of Clients' Trust Account and Authorization to Examine form](#) must be uploaded for each reported account. ■

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 are in doubt if an individual listed here is someone you know or with whom you are working, 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 settlement may not, therefore, directly compare in severity/sanction with other cases.

REVOCATION

[Burian Blacklaw, Dena Le](#) (Albany) Property Manager 200810163. Default final order dated August 13, 2018.

[Uzuegbunam, Tony Iyke](#) (Oregon City) 201107040. Stipulated order dated September 7, 2018.

SUSPENSION

[Morrisson, Andrea Maeve](#) (Beaverton) Principal Broker 201005065. Stipulated order dated August 28, 2018, resulting in a 30-day suspension.

[Reger, Craig M.](#) (Portland) Principal Broker 970300201. Stipulated order dated August 28, 2018, resulting in a 60-day suspension.

REPRIMAND

[Cox, Terrie](#) (Vancouver, WA) Broker 930100033. Stipulated order dated August 4, 2018.

[Edmondson, Jeffrey Jay](#) (Tualatin) Principal Broker 200802126. Stipulated order dated September 25, 2018.

[Kaul, Richard Brian](#) (Portland) Property Manager 201005032. Stipulated order dated August 15, 2018.

[Walsh, Abraham](#) (Clackamas) Property Manager 201213877. Stipulated order dated August 29, 2018.

CIVIL PENALTY

Expired - Late Renewals

Civil penalties for late renewals are computed using each 30-day period as a single offense. The civil penalty for the first 30-day period can range from \$100-\$500, with each subsequent 30-day period ranging from \$500-\$1,000. (ORS 696.990)

[Spink, Cory](#) (Sheridan) Broker 201217354. Stipulated order dated August 9, 2018, resulting in a \$2,100 civil penalty.

Unlicensed Activity

[O'Hara, Toni Lynne](#) (Prineville) Property Manager 200407225. Stipulated order dated August 15, 2018, resulting in an \$18,800 civil penalty for unlicensed activity.

OTHER

[Chapman, Lucinda G.](#) (Newport) Principal Broker 930300235. Stipulated order dated September 7, 2018, resulting in the surrender of the principal broker license and the issuing of a limited broker license. ■



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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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