



Oregon

Kate Brown, Governor

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AGENDA ITEM NO.

I.D.

OREGON REAL ESTATE BOARD

Regular Meeting Minutes
Oregon Real Estate Agency
The Equitable Center
530 Center St. NE, Suite 100
Salem, OR 97301

Monday, February 5, 2018

BOARD MEMBERS PRESENT: Jef Farley, Chair
Dave Hamilton
Lawnae Hunter, Vice Chair
Pat Ihnat
Dave Koch

BOARD MEMBERS ABSENT: Marcia Edwards
Joann Hansen
Alex MacLean
Coni Rathbone

OREA STAFF PRESENT: Gene Bentley, Commissioner
Dean Owens, Deputy Commissioner
Selina Barnes, Regulations Division Manager
Anna Higley, Administrative Services Division Manager
Maddy Alvarado, Customer Service Manager
Michael Hanifin, Land Development Division Manager
Mesheal Heyman, Communications Coordinator
Leandra Hagedorn, Board Liaison

GUESTS PRESENT: Haylee Miller, BAM
Stacey Harrison, A1 Superior Schools

I. BOARD BUSINESS – Chair Farley

- A. Call to Order. Chair Farley called the meeting to order at 10am.
- B. Chair Edwards comments/Roll Call. Chair Farley asked the board liaison to take roll call, board members to introduce themselves, and explained the role/function of the board.
- C. Approval of the Agenda and Order of Business.
- D. Approval of 12.4.17 regular meeting minutes.

**MOTION TO APPROVE 12.4.17 REGULAR MEETING MINUTES AS SUBMITTED BY PAT IHNAT
SECOND BY DAVE HAMILTON**

MOTION CARRIED BY UNANIMOUS VOTE

- E. Date of the Next Meeting: 4.2.18 at The Oregon State Bar Center, 16037 SW Upper Boones Ferry Road, Tigard, OR 97224, Columbia B Conference Room, to begin at 10am.

II. PUBLIC COMMENT – Chair Farley

- 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 – Chair Farley - None.

IV. PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER– Chair Farley - None.

V. BOARD ADVICE/ACTION – Commissioner Bentley.

- A. 2018 Governor’s State Employee Food Drive. Mr. Bentley invited the board members to participate by donating cash &/or food.
- B. October 1, 2018 board meeting reschedule to October 8, 2018. Mr. Bentley explained that OREA staff have requested this change due to a scheduling conflict and the board consensus was to reschedule from 10.1.18 to 10.8.18.

VI. NEW BUSINESS – Commissioner Bentley

- A. Discussion to continue re: Qualifications and structure of property management licenses-Vice Chair Hunter. Dave Hamilton introduced **Exhibit A (Property Management Clients Trust Accounts Security Deposits Work Group)** and summarized the meeting minutes by explaining although bonds were available, there is no coverage for company or owners. Mr. Bentley responded that owner bonding would require statutory changes and it would be better to industry bring this issue forward. The general consensus of the board was to continue workgroup meetings and include the Agency staff.
- B. Discussion re: Impact technology will have on conducting real estate business in the future. Mr. Bentley asked board members if they were aware of anything Agency should be aware of relating to technology such as: Online investing, virtual showings, and electronic signatures. Vice Chair Hunter responded that technology may cause issues with not reading documents thoroughly. Pat Ihnat responded that a lack of awareness was an issue and many brokers use public spaces as offices and this has caused email security issues.

VII. COMMUNICATIONS – Administrative Actions Summary – Chair Farley – None.

VIII. REPORTS – Chair Farley

- A. Commissioner Gene Bentley
 - Marcia Edwards and Joann Hansen would be stepping down from the board panel and their replacements should be announced in the near future.
 - Legislation-REA will not be proposing any legislation during this session
 - OAR will be proposing HB4048 which will require principal brokers to complete an advanced practices course
 - OAR is still in the process of replacing CEO
 - Effective January 1, failure to report closed CTA to the Agency will result in a reprimand instead of education letter
- B. Agency division reports – Deputy Commissioner Dean Owens
 1. Regulation Division – Selina Barnes. Ms. Barnes summarized the statistics provided in the written division report and also announced the new title of continuing education class she will be presenting at future board meetings was Attention Violation Prevention
 2. Land Development Division – Michael Hanifin. Mr. Hanifin explained that the Agency was currently tracking some legislation only for information purposes and he also stated that 2018

has been the busiest year the division has had since 2011 as far as filings. He also explained that the division was in the early stages of transitioning the internal UOA annual reporting process from paper to electronic.

3. Education, Licensing, and Administrative Services Division – Anna Higley and Maddy Alvarado. Ms. Higley explained the division was still managing the process changes resulting from SB67 and SB68 as well as summarized the statistics provided in the written division report. Ms. Alvarado summarized the statistics provided in the written division report and explained that the CE audits have shown 97% compliance and also that principal broker and property manager course development is in the last stages and will be offered as a webinar.

IX. ANNOUNCEMENTS – Chair Farley. Next board meeting: 4.2.18 at The Oregon State Bar Center, 16037 SW Upper Boones Ferry Road, Tigard, OR 97224, Columbia B Conference Room, to begin at 10am.

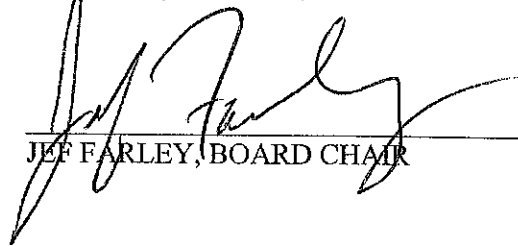
X. ADJOURNMENT – Chair Farley.

Respectfully submitted,



GENE BENTLEY, COMMISSIONER

Respectfully submitted,



JEFF FARLEY, BOARD CHAIR

Exhibits distributed:

Property Management Clients Trust Accounts Security Deposits Work Group, *Agenda Item No. VI. A., Exhibit A*

Property Management Clients Trust Accounts Security Deposits Work Group

Work Group:

Susan Steward BOMA, Chris Hermanski Mainlander, Past OREA Board
Deborah Imse Multifamily NW, Jenny Pakula Oregon Realtors,
Lawnae Hunter Plus Mgt. OREA Board. Tara Platt IREM,
Dave Koch RE/MAX, OREA Board, Dave Hamilton Norris & Stevens, OREA Board

The work group is made up of four industry Organizations representatives involved in Property Management. They are Oregon Association of Realtors, BOMA Oregon, Multifamily NW and the Institute of Real Estate Management. We had two meeting with two totally different outcomes.

At our first meeting there was an overwhelming opinion that the Property Managers License should be eliminated and all Property Manager Licensees would be required to become to be Principal Brokers.

At our Second meeting we had input from the Property Management Licensees and industry groups emphasizing the fact that they did not do Brokerage and only did property management.

The work group unanimously approves the following rules to be adopted by the Real Estate Agency.

Current Licensees:

- Keep their existing license:
- Require to take and Advanced Practice course in 3 year
- Require a Bond of \$50,000 or to be determined

New Licensees

- Working for a Property Management company:
- Take and pass the Property Management Licensing course
- Take and pass the Advanced Practice course
- Have 3 years of experience working under a Licensed Property Manager prior to operating their own business
- Require a Bond of \$50,000 or to be determined

Bonding company will check your **credit** history and conduct a **background** checks on applicants before approval for a **bond**, according to the U.S. Small Business Administration.

In checking with the Insurance Providers we have told that Bond will not cover Owners of a company only their employees. Here are possible options to discuss.

- Require additional Client Trust Account audits on a more frequent basis
- Limit the amount of fund held in a Client Trust Account Security Deposits and sending the balance to the owner
- Other Sugestions.