



Oregon

Kate Brown, Governor

AGENDA ITEM NO.

I.D.

Real Estate Agency

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State of Oregon Real Estate Agency

REAL ESTATE BOARD

Regular Meeting Minutes

February 6, 2017

MEMBERS PRESENT: Marcia Edwards, Chair
Lawnae Hunter
Joann Hansen
Pat Ihnat
Dave Koch
Alex MacLean
Dave Hamilton

STAFF PRESENT: Coni Rathbone, excused
Jef Farley, Vice-Chair, excused

GUESTS PRESENT: Stacey Harrison, Superior A1 Schools
Jihun Han, OAR
John Wallace, OAR
Lane Mueller, Keller Williams
Katherine Myers, Fairway Independent Mortgage

I. BOARD BUSINESS-Chair Edwards

- A. **Call to Order.** Chair Edwards called the meeting to order at 10am
- B. **Chair Edwards comment/Roll Call.** Chair Edwards asked board liaison to take roll call, board members, OREA staff and audience members to introduce themselves.
- C. **Approval of Agenda and Order of Business.** Agenda and Order of Business were approved as submitted.

**MOTION TO APPROVE AGENDA AND ORDER OF BUSINESS AS SUBMITTED BY JOANN HANSEN
SECOND BY PAT IHNAT**

MOTION CARRIED BY UNANIMOUS VOTE

- D. **Approval of 12.05.16, regular meeting minutes.** 12.05.16 regular meeting minutes were approved as submitted.

**MOTION TO APPROVE 12.05.16 REGULAR MEETING MINUTES BY JOANN HANSEN
SECOND BY PAT IHNAT**

MOTION CARRIED BY UNANIMOUS VOTE

- E. **Date of next meeting: 4.3.17 at the Oregon Real Estate Agency, Equitable Center, 530 Center St. NE, Suite 100, Salem, OR 97301 to begin at 10am**

II. PUBLIC COMMENT. None

III. REQUESTS FOR WAIVER-Chair Edwards. None.

- IV. PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER-Chair Edwards.** CEP Log
- A. Systems Effect L.L.C. dba Training Cove, Steven Jordan to appear.** Mr. Jordan appeared by phone and explained that Systems Effect LLC is a distance learning company that has been in business since 2008 and is currently approved to provide real estate continuing education courses in Arizona, Kansas, Minnesota, Missouri, and Ohio. He also stated that the courses offered cover the following acceptable topics: Principal broker record keeping and supervision, trust accounts, agency relationships, misrepresentation, disclosure, contracts, appraisal, fair housing, risk management, water rights, environmental protection, land use, real estate law, negotiation, and others. Dave Koch asked Mr. Jordan if a tracking device was in place to monitor class time and he responded that there is a timer in place to verify that students meet the required course time. Alex MacLean asked Mr. Jordan if there is a resource for student assistance with questions they might have and Mr. Jordan responded that there is a FAQ information, email system, and staff available for students.

**MOTION TO APPROVE THE PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER
SUBMITTED BY SYSTEMS EFFECT LLC DBA TRAINING COVE BY DAVE KOCH
SECOND BY ALEX MACLEAN
MOTION CARRIED BY UNANIMOUS VOTE**

- B. American Dream Real Estate School, L.L.C., Herbert Nagamatsu to appear by phone.** Herbert Nagamatsu appeared by phone and explained that American Dream Real Estate School created, administered and delivered online courses and training programs to students since 2005. He also stated that the courses offered cover the following acceptable topics: Contracts, Risk Management, and real estate finance. Dave Koch asked Mr. Nagamatsu how he derived the questions for the courses and he responded that the topics covered meet with rule and law. Alex MacLean asked Mr. Nagamatsu how students communicate with instructors he responded that contact information for instructors is posted online for students. Mr. Koch asked Mr. Nagamatsu how class time was tracked and he responded timing mechanisms were in place behind the scenes. Mr. Koch also asked Mr. Nagamatsu to explain his record keeping process and he responded records are kept for minimum of 3 years and backup for seven years.

**MOTION TO APPROVE THE PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER
SUBMITTED BY AMERICAN DREAM REAL ESTATE SCHOOL LLC BY DAVE HAMILTON
SECOND BY PAT IHNAT
MOTION CARRIED BY UNANIMOUS VOTE**

- C. Asset Preservation, Inc., Elisa Mas to appear by phone.** Elisa Mas appeared by phone and explained that Asset Preservation, Inc. has provided 1031 exchange courses for continuing education to real estate professionals all over the nation for over 25 years and was also approved to teach continuing education courses in Texas, New York, Florida, Colorado, Washington, Oklahoma, New Jersey, and Arizona as well as Oregon, previously. She also stated that the courses offered cover the following acceptable topics: Real estate taxation and Real Estate Finance. Alex MacLean asked Ms. Mas when her company was certified and she responded approximately one year ago. Mr. MacLean also asked Ms. Mas if her company was currently certified and if not, to explain the gap in time. Ms. Mas explained the previous administrator was expired and now they want to be certified again.

**MOTION TO APPROVE THE PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER
SUBMITTED BY ASSET PRESERVATION, INC. BY PAT IHNAT
SECOND BY JOANN HANSEN
MOTION CARRIED BY UNANIMOUS VOTE**

- D. Military Mortgage Boot Camp, Jay McMaken to appear by phone.** Mike Fischer appeared by phone and explained the current class offered is a 2 or 3 hour version which covers appraisal, VA assistance, and transaction coordination. Chair Edwards asked Mr. Fischer which acceptable topics were covered in the courses offered and he responded that consumer protection was the topic covered. Dave Hamilton stated

he would like to see Oregon's program incorporated in the course and Mr. Fischer responded they could incorporate Oregon's program. Chair Edwards clarified that although, incorporating Oregon's program was not a requirement or contingency, it was encouraged.

**MOTION TO APPROVE THE PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER
SUBMITTED BY MILITARY MORTGAGE BOOT CAMP BY JOANN HANSEN
SECOND BY DAVE HAMILTON
MOTION CARRIED BY UNANIMOUS VOTE**

- E. Fairway Independent Mortgage Corp., Kate Myers to appear.** Kate Myers appeared before the board and explained Fairway Independent Mortgage Corp. was one of the mortgage companies that is allowed to handle VA loans. Chair Edwards asked Ms. Myers which acceptable course topics are covered in their courses and she responded that real estate finance was the topic offered. Dave Koch asked Ms. Myers if there was a record keeping mechanism in place and she responded there is an administrator who would be assigned the record keeping duties.

**MOTION TO APPROVE THE PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER
SUBMITTED BY FAIRWAY INDEPENDENT MORTGAGE CORP. BY DAVE HAMILTON
SECOND BY LAWNAE HUNTER
MOTION CARRIED BY UNANIMOUS VOTE**

- V. NEW BUSINESS-Chair Edwards. None.** Chair Edwards introduced *Exhibit A* (Written testimony to Ways and Means Joint Committee) regarding SB 68 and the recommendation from the board in support of this bill.

**MOTION TO RECOMMEND AGENCY SUBMIT EXHIBIT A (WRITTEN TESTIMONY) TO WAYS AND
MEANS JOINT COMMITTEE HEARING WITH MODIFICATIONS (HB5037 RATHER THAN SB 68, REP.
GROMBERG INSTEAD OF SEN. RICHARD DEVLIN CO-CHAIR) BY DAVE KOCH
SECOND BY MARCIA EDWARDS
MOTION CARRIED BY UNANIMOUS VOTE**

VI. COMMUNICATIONS – Administrative Actions Summary-Chair Edwards

VII. REPORTS-Chair Edwards

A. Commissioner Gene Bentley

- Summary of license counts/statistics
- Legislation Update

- Commissioner Bentley provided *Exhibit B* (OREA Statute Review Group and Fee Increase Presentations) and *Exhibit C* (One page summary of SB 67 and SB 68). Joann Hansen asked Commissioner Bentley when it was appropriate to assess a license extension fee and he responded that fee was applied when a license become incapacitated and a family member takes over their responsibilities. Ms. Hansen also asked Commissioner Bentley to explain the RBN (Registered Business Name) renewal fee and he responded this fee is applied when a business changes their name. He also announced that the Agency would be delivering the budget presentation on 2.9.17 at 1pm and invited all board members to attend.
- Mr. John Wallace expressed his compliments to Commissioner Bentley for the high level of transparency during the fee increase process.
- OAR Professionalism Group meeting was held on 1.17.17 to discuss list of concerns and the goal to have an advanced practices course as a requirement for Principal Brokers. John Wallace stated that OAR was in the process of creating a Principal Broker academy and was hopeful it would be rolled out by first of next year.
- Commissioner Bentley also announced that the Governor has assigned Jason Lee Berry as the new Policy Advisor to the Agency effective 2.21.17.

B. Agency division reports-Deputy Commissioner Dean Owens

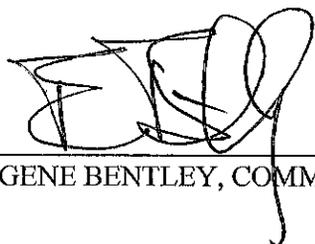
1. **Regulation Division-Selina Barnes.** Ms. Barnes summarized the statistics provided in her division handout and announced that Lisa Montellano joined the Agency as a new Financial Investigator, Lindsey Nunes has been working out of class as a Financial Investigator, and Sue Davenhill is also working out of class as a Compliance Specialist.
2. **Land Development Division-Michael Hanifin.** Mr. Hanifin summarized the statistics provided in his division handout and explained the division is focused legislation. He also explained the bill tracking process.
3. **Education, Business and Technical Services Division-Anna Higley and Maddy Alvarado.** Ms. Alvarado explained that the division has taken on the Education division the staff were in the process of identifying processes with the focus being timing mechanism being in place for class time for students. She also announced that Nenah Darville joined the Agency as new receptionist and summarized the statistics provided in the division handout. Deputy Commissioner Owens provided a budget update.

VIII. **ANNOUNCEMENTS-Chair Edwards.** Next board meeting: 4.3.17 at the Oregon Real Estate Agency, Equitable Center, 530 Center St NE, Salem, OR 97301

IX. ADJOURNMENT

Respectfully submitted:

Respectfully submitted:



GENE BENTLEY, COMMISSIONER



MARCIA EDWARDS, CHAIR

Exhibits distributed:

- A. **Exhibit A** Written testimony to Ways and Means Joint Committee, *Agenda Item No. V*
- B. **Exhibit B** OREA Statute Review Group and Fee Increase Presentations, *Agenda Item No. VII. A.*
- C. **Exhibit C** One page summary of SB 67 and SB 68, *Agenda Item No. VII. A.*