



# Oregon

Kate Brown, Governor

## Real Estate Agency

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### AGENDA ITEM NO.

**I.D.**

## OREGON REAL ESTATE BOARD

Regular Meeting Minutes  
Holiday Inn Eugene-Springfield  
919 Kruse Way  
Springfield, OR 97477

Monday, October 2, 2017

**BOARD MEMBERS PRESENT:** Marcia Edwards, Chair  
Jef Farley, Vice Chair  
Dave Hamilton  
Lawnæ Hunter  
Pat Ihnat

**BOARD MEMBERS EXCUSED:** Joann Hansen  
Dave Koch  
Alex MacLean  
Coni Rathbone

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

**GUESTS PRESENT:** David Brow, Palermo Real Estate  
Lori Palermo, Palermo Real Estate  
Lori Galvin, RE/MAX Integrity

### **I. BOARD BUSINESS – Chair Edwards**

- A. Call to Order. Chair Edwards called the meeting to order at 10am.
- B. Chair Edwards comments/Roll Call. Chair Edwards 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.

**MOTION TO APPROVE THE AGENDA AND ORDER OF BUSINESS AS SUBMITTED BY DAVE HAMILTON**

**SECOND BY PAT IHNAT**

**MOTION CARRIED BY UNANIMOUS VOTE**

- D. Approval of 8.7.17, regular meeting minutes.

**MOTION TO APPROVE 8.7.17 REGULAR MEETING MINUTES AS SUBMITTED BY DAVE HAMILTON**  
**SECOND BY LAWNAE HUNTER**

**MOTION CARRIED BY UNANIMOUS VOTE**

- E. Date of the Next Meeting: 12.4.17 in Gresham, Oregon, location to be announced.

**II. PUBLIC COMMENT – Chair Edwards**

- 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 Edwards.**

- A. Angie Anderson requests waiver for principal broker license. Ms. Anderson explained she has been licensed for two years and is seeking a waiver so that she can be available as a principal broker at her property management company. Dave Hamilton asked Ms. Anderson if the current principal broker for the firms is no longer active. Ms. Anderson responded that he is active. Vice Chair Farley asked Ms. Anderson to elaborate on her experience and she explained that she joined the company as a family member, obtained her license, and managed the office as a branch manager. She also stated that she did not intend to extend herself into sales at this time. Chair Edwards explained that historically, the board has considered waiver requests from brokers who have expertise in a certain area of the industry and her concern was the principal broker designation gives the authority to manage real estate sales company which is much broader. Pat Ihnat asked Ms. Anderson how many people she would be overseeing on the property management side and Ms. Anderson responded that there are 5 employees. Commissioner Bentley explained that Ms. Anderson could apply for and obtain a property management license which would allow her to run a property management company. Ms. Anderson responded that although she did not sales activity experience, becoming a principal broker would allow her to hire and oversee a broker.

**MOTION TO DENY ANGIE ANDERSON’S WAIVER REQUEST BY DAVE HAMILTON  
SECOND BY PAT IHNAT  
MOTION CARRIED BY UNANIMOUS VOTE**

**IV. PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER– Chair Edwards - Approval of petition log.**

- A. Housing and Community Services Agency of Lane County, Mr. Travis Baker will appear in person. Mr. Baker explained he is the landlord liaison at HACSA and is in charge of maintaining the line of communication with landlords. He also stated that HACSA manages the section 8 program for all of Lane County. Mr. Baker explained the courses he offers cover the following topics: fair housing laws and policies, risk management, & advertising regulations, which are acceptable course topics. Chair Edwards asked Mr. Baker if he was familiar with the recordkeeping requirements for continuing education providers. Mr. Baker responded based on the recordkeeping requirements HACSA intends to maintain records both electronically and paper. Farley: Have you been offering courses both and working under a provider? Baker-currently we are partnering with the rental owners association of Lane Co who is a licensed provider-the reason we are asking for our agency is basically not being able to offer classes to the public at large being able to only offer classes to members of the association as well as property managers having to pay for those credits-we want to offer those credits for free. Edwards: excellent resource in Lane County I appreciate your outreach efforts.

**MOTION TO APPROVE PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER  
SUBMITTED BY HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY BY LAWNAE  
HUNTER  
SECOND BY PAT IHNAT  
MOTION CARRIED BY UNANIMOUS VOTE**

- B. Lumos Academy, Lane Mueller will appear by phone. Ms. Mueller explained Lumos is designed to provide exemplary real estate education and our goal is really to do our best to raise the competency level of the brokers throughout the State-better educated broker is better for the client-currently we have 3 instructors. Ms. Mueller explained that the courses offered by Lumos cover the following course topics: principal real estate broker supervision responsibilities, agency relationship and responsibilities, misrepresentation in real estate transactions, advertising regulations, real estate disclosure requirements, real estate consumer protection, fair housing, business ethics, risk management, dispute resolution, real estate escrow, real estate economics, real estate law and regulations, and negotiation, which are considered acceptable course topics.

**MOTION TO APPROVE PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER  
SUBMITTED BY LUMOS ACADEMY BY PAT IHNAT  
SECOND BY DAVE HAMILTON  
MOTION CARRIED BY UNANIMOUS VOTE**

**V. BOARD ADVICE/ACTION – Commissioner Bentley.**

- A. Recommend the Agency finalize the draft of the 2018-2019 LARRC outline. Commissioner Bentley referred to the draft outline of LARRC provided in the board packet and explained that the board was responsible to approve the updated LARRC outline.

**MOTION TO APPROVE THE DRAFT OF THE 2018-2019 LARRC OUTLINE BY DAVE HAMILTON  
SECOND BY LAWNAE HUNTER  
MOTION CARRIED BY UNANIMOUS VOTE**

- B. 2018 Board Chair and Vice Chair Elections. Chair Edwards stated that she was seeking nominations for the 2018 board chair seat. Lawnae Hunter nominated Vice Chair Jef Farley. Vice Chair Farley nominated Lawnae Hunter for Vice Chair.

**UNANIMOUS VOTE TO APPROVE JEF FARLEY AS BOARD CHAIR AND LAWANE HUNTER AS VICE  
CHAIR FOR 2018**

**VI. NEW BUSINESS – Chair Edwards.**

- A. Discussion re: Qualifications and structure of property management licenses. Lawnae Hunter introduced *Exhibit A (Report)* she also suggested eliminating the property management license and move to licensing system that you would require a principal broker's license to own a property management company. Ms. Hunter recommended that an additional education component would be beneficial as well. Dave Hamilton responded that his understanding was that property management license category was created for the Agency to monitor the smaller firms/companies and he wasn't sure small firms/companies have the ability to support a designated broker license position. He also recommended that the Agency identify and fine tune the issues/problems and then find a resolution. Chair Edwards asked if the problem/issues were specifically related to client trust accounts and Ms. Hunter responded the issue is also related to lack of education. Vice Chair Farley responded that he saw the benefit of property management license category because the vast majority of licensees are involved in sales and do not need to study property management. Mr. Hamilton asked Commissioner Bentley how frequently the Agency deals with missing funds from client trust accounts and Selina Barnes responded receives allegations of missing funds several times a year. Chair Edwards observed that the board seemed to be moving away from the initial recommendation of eliminating property management license and Ms. Hunter suggested that focus groups should submit input. Chair Edwards asked the board members what their position was on workgroups meeting and continuing discussion at the next board meeting on 12.4.17 and board member agreed.

**VII. COMMUNICATIONS – Administrative Actions Summary – Chair Edwards.**

**VIII. REPORTS – Chair Edwards**

**A. Commissioner Gene Bentley**

- OREN-J. Board members should contact Mesheal Heyman regarding articles they may want to submit.
- Board biographies. Board members should review information on the Agency website for accuracy
- Summary of licensing statistics/counts
- Principal broker advance practices courses. The industry has been discussing the possibility of requiring principal brokers to participate in an advanced practices course to improve the professionalism within the industry. The Agency has developed draft legislation document which will be presented to industry members for review on 10.10.17.
- ARELLO (Association of Real Estate License Law Officials) Annual Conference. Several Agency staff attended the annual conference a couple of weeks ago and chaired the “Commercial Real Estate 101” presentation, which covered the various types of product/activity involved with commercial brokerage.
- Client trust accounts reporting. The Agency is in the progress of making changes to the client trust account audit process which will include sending letters of reprimand to those who are not in compliance as well as eliminating the term “audit” and replacing with review.

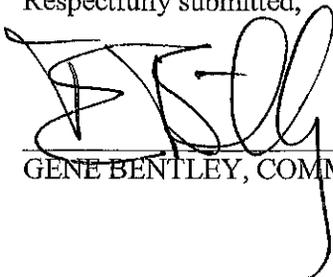
**B. Agency division reports-Deputy Commissioner Dean Owens**

1. Regulation Division – Selina Barnes. Ms. Barnes stated that the regulations division staff have been participating in several trainings such as, ARELLO Investigator Workshop, Financial Crimes and Digital Evidence Conference, and the Attorney General Public Law Conference. She also explained that she would be teaching The Tips for Staying Out of Trouble following the board meeting and at the OAR Fall Convention later in the week.
2. Land Development Division – Michael Hanifin. Mr. Hanifin summarized the statistics/information provided in the division report handout and explained the fee of \$45 per hour to review filings had increased to \$200 per hour, which covers the time and work involved. He also stated that rulemaking was still in progress, a notice was filed with the Administrative Rules public hearing was held on September 19, 2017. Commissioner Bentley added that new/modified rules would go into effect on January 1, 2018.
3. Education, Business and Technical Services Division – Anna Higley and Maddy Alvarado. Ms. Alvarado summarized the statistics provided in the division report handout and explained the Agency held a workgroup meeting on September 7, 2017 via teleconference regarding the 2018-2019 LARRC outline and the suggestion made was to include HB2111, HB2189, HB2855, HB2920, and SB277 as additional topics under the 2017 Oregon Legislation which the Agency did include in the draft outline. She also stated that all changes to Agency business processes resulting from SB67 and SB68 are completed on our eLicense testing site. Deputy Commissioner Owens summarized the budget statistics and revenue information provided in the division handout.

**IX. ANNOUNCEMENTS – Chair Edwards.** Next board meeting: 12.4.17 in Gresham, Oregon, location to be announced.

**X. ADJOURNMENT – Chair Edwards.**

Respectfully submitted,



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GENE BENTLEY, COMMISSIONER

Respectfully submitted,



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MARCIA EDWARDS, BOARD CHAIR