



# Oregon

Kate Brown, Governor

## AGENDA ITEM NO.

I.D.

State of Oregon Real Estate Agency

## REAL ESTATE BOARD

Regular Meeting Minutes

April 3, 2017

Real Estate Agency

Equitable Center

530 Center St. NE, Suite 100

Salem, Oregon 97301-2505

Phone: (503) 378-4170

Regulations Fax: (503) 373-7153

Admin. Fax: (503) 378-2491

[www.oregon.gov/rea](http://www.oregon.gov/rea)

**MEMBERS PRESENT:**

Marcia Edwards, Chair  
Jef Farley, Vice-Chair  
Coni Rathbone  
Dave Hamilton  
Lawnae Hunter  
Alex MacLean  
Dave Koch  
Pat Ihnat  
Joann Hansen

**OREA STAFF PRESENT:**

Gene Bentley, Commissioner  
Dean Owens, Deputy Commissioner  
Selina Barnes, Regulations Division Manager  
Maddy Alvarado, Customer Service Manager  
Mesheal Heyman, Communication Coordinator  
Leandra Hagedorn, Board Liaison

**GUESTS PRESENT:**

Lane Mueller, Keller Williams  
Shu Merritt, Keller Williams  
Jann Pate, Oregon Rental Housing Association  
John Wallace, Oregon Association of REALTORS®

**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 CONI RATHBONE**

**SECOND BY PAT IHNAT**

**MOTION CARRIED BY UNANIMOUS VOTE**

- D. **Approval of 02.06.17, regular meeting minutes.** 02.06.17 regular meeting minutes were approved as submitted.

**MOTION TO APPROVE 02.06.17 REGULAR MEETING MINUTES BY JOANN HANSEN**

**SECOND BY DAVE HAMILTON**

**MOTION CARRIED BY UNANIMOUS VOTE**

- E. **Date of next meeting: 6.5.17 at the Salishan Resort, 7760 US-101, Gleneden Beach, OR 97388 to begin at 10am.**

**II. PUBLIC COMMENT. None**

**III. REQUESTS FOR WAIVER-Chair Edwards. None.**

- A. Shu Merritt requests experience waiver for principal broker license.** Ms. Merritt appeared before the board and explained that she obtained an international business degree and began working in residential real estate in March of 2015. Alex MacLean asked Ms. Merritt if she intended to stay with Keller Williams and if she was aware that she could have an assistant. Ms. Merritt responded that she did intend to stay with Keller Williams and she needed an assistant to handle unlicensed paperwork. Dave Koch asked Ms. Merritt if she was aware of the tutorial regarding CTA management that is available on the Agency website. Ms. Merritt responded the firm she is currently with, Keller Williams, individual CTA did not exist. Lawnae Hunter clarified that closing transactions and managing brokers are two different things. She also pointed out to Ms. Merritt that she should have the ability to build a team without the principal broker designation. Ms. Merritt explained that although she can build a team she is not able to hire a broker to assist her in showing homes. Coni Rathbone explained to Ms. Merritt that the board was looking for something compelling in order to approve her request for waiver and it appeared the issues she was experiencing could be addressed contractually.

**MOTION TO DENY REQUEST FOR WAIVER OF EXPERIENCE SUBMITTED BY SHU MERRITT BY  
DAVE KOCH  
SECOND BY LAWNAE HUNTER  
MOTION CARRIED BY UNANIMOUS VOTE**

**IV. PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER-Chair Edwards. CEP Log**

- A. Envoy, Andy Varcak to appear by phone.** Mr. Varcak appeared by phone and explained he has taught first time home buyers courses and facilitated other trainings. He also said he teaches courses covering the topic of Real Estate Finance, which is an acceptable course topic. Mr. Varcak indicated that his goal was to provide a more structured training program through Envoy. Coni Rathbone asked Mr. Varcak if he has kept track of continuing education credits and he responded that although he had not kept track of credits in the past, he did review all the record keeping requirements and was prepared to follow them. Dave Koch of he intended to use instructors to provide variety of topics and Mr. Varcak responded that he did intend to utilize other instructors. Commissioner Bentley asked Mr. Varcak if he had considered being an instructor rather than a provider and Mr. Varcak responded that his company wanted to provide their own coursework.

**MOTION TO APPROVE PETITION TO QUALIFY AS CONTINUING EDUCATION PROVIDER BY ENVOY  
APPROVED BY CONI RATHBONE  
SECOND BY DAVE KOCH  
MOTION CARRIED BY UNANIMOUS VOTE**

- B. Oregon Rental Housing Association Education Inc., Jann Pate to appear in person.** Ms. Pate appeared and explained ORHA Education Inc. is seeking a grant to provide supplemental education to landlords, tenants, and public education. Chair Edwards asked Ms. Pate which location records would be kept and she responded that she believed the Salem office located on Commercial St. would house the records. Commissioner Bentley asked Ms. Pate to clarify the topics that would be offered and she explained she intended to offer courses covering the following topics: Property management, advertising, any type of fair housing issue, real contracts, business ethics, and dispute resolution, which are all acceptable course topics.

**MOTION TO APPROVE THE PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER  
SUBMITTED BY OREGON HOUSING ASSOCIATION BY JOANN HANSEN  
SECOND BY CONI RATHBONE  
MOTION CARRIED BY UNANIMOUS VOTE**

V. **NEW BUSINESS-Chair Edwards. None.** The following agenda items were submitted for 6.5.17 Agenda, under New Business section:

- Chair Edwards submitted REQUEST FOR WAIVER DECISION PROCESS
- Lawnae Hunter submitted QUALIFICATIONS AND STRUCTURE OF PROPERTY MANAGEMENT LICENSES

**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**

-Client Trust Accounts (CTAs)-Commissioner Bentley asked board members for feedback regarding the imposition of sanctions when entities do not report the opening or closure of CTAs and also explained that the Agency currently sends out an education letter in these situations. The general consensus of the board was that education should be the priority, then reprimand, suspension, fining and revocation should also be sanctions that could be imposed.

- Legislation Update

- HB5037 is currently in Ways and Means Subcommittee of Transportation and Economic Development and hearing was held on 2.9.17
- SB67 is the modifications to ORS Chapter 696 and is was referred to Business and Labor and does not have any scheduled hearings at this time
- SB68 is the fee increase bill and it was assigned to the Subcommittee of Transportation and Economic Development on 2.29.17 and there are not hearing scheduled at this time.
- SB933 deals with creating a reserve fund that is paid into by licensees to reimburse landlords who have had funds embezzled from them, was submitted to Subcommittee of Transportation and Economic Development to the Senate on 3.7.17 and scheduled hearings at this time
- HB3099 would require that all principal brokers to take an advanced practices course, has been referred to the Business and Labor

-Summary of license counts/statistics

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 Davenport is also working out of class as a Compliance Specialist. She also stated that she was invited by National Legal Counsel for Keller Williams, along with Deanna Hewitt, to speak to some of the main principal brokers or company owners about advertising rules on 3.17.17.
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 had taken on the Education division and her staff were identifying processes with the focus being on timing mechanisms being in place to monitor class time of 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.

Mesheal Heyman, REA Communications Coordinator thanked the board members for their feedback regarding the email that Commissioner Bentley sent out an email requesting feedback on the tutorial videos that are available on the Agency website. She also explained that the Agency is currently conducting a review of all the forms the Agency has on file for consistency and accessibility.

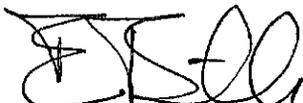
John Wallace, OAR, offered a personal invite to all to attend Realtor Day at the Capital on Wednesday, April 12, 2017.

**VIII. ANNOUNCEMENTS-Chair Edwards.** Next board meeting: **6.5.17 at the Salishan Resort, 7760 US-101, Gleneden Beach, OR 97388 to begin at 10am.**

**IX. ADJOURNMENT**

Respectfully submitted:

Respectfully submitted:



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GENE BENTLEY, COMMISSIONER



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MARCIA EDWARDS, CHAIR