

REAL ESTATE COMMISSION MEETING

Heber M. Wells Building
Second Floor - Room 210
9:00 a.m.
August 16, 2006

MINUTES

STAFF MEMBERS PRESENT:

Derek B. Miller, Division Director
Jon R. Brown, Enforcement Director
Dee Johnson, Chief Investigator
Shelley Wismer, Assistant Attorney General
Renda Christensen, Board Secretary
Tiffeni Wall, Education Coordinator

COMMISSION MEMBERS PRESENT:

H. Blaine Walker, Chair
Bonnie Peretti, Vice Chair
Kay Ashton, Commissioner
Doyle "Sam" Sampson, Commissioner
Gary R. Hancock, Commissioner

GUESTS

Lance Miller

The August 16, 2006 meeting of the Utah Real Estate Commission began at 9:00 a.m. with Chair Walker conducting.

Administrative Law Judge Masuada Medcalf swore in Gary R. Hancock as the new Commissioner for the Real Estate Commission.

Approval of Minutes

The minutes for July 19, 2006 were approved as written.

DIVISION REPORTS

DIRECTOR'S REPORT – Derek Miller

Director Miller welcomed Mr. Hancock as the new Commissioner. Director Miller introduced him by saying he is an Associate Broker with Century 21 Golden Spike Realty. In 2004, Commissioner Hancock was the owner and manager of that operation. He is also active in the Weber and North Davis Association, including acting as its President, and recently served on the Board of Directors of the UAR. Chair Walker said Commissioner Hancock has been active in the real estate industry for 33 years.

Director Miller said the ARELLO conference is on September 22nd, he will be on the

panel on Tenants-In-Common.

OTHER BUSINESS

Ms. Wismer said the T.I.C. rule is in the rulemaking process and the earliest effective date would be on September 22, 2006. There are presently no rules that are ready to be made effective, but there are five rule changes in the public comment period. These five are the T.I.C. rule, the rule where you must make a written disclosure on the contract if you are a licensee, the rule on what you're supposed to fill in on paragraph 5 of the REPC as to the brokers name, and the two rules that have to do with pre-approval of a school name by the Division before the provider goes to the Division of Corporations and gets approval of that business name. There is also one more rule change that has been forwarded to the Department for review, but that review has not been finished yet. This rule is on the new agent core course which would also clarify how many hours of CE you need if you renewed on inactive status, and now you are trying to activate at the time of your renewal.

INVESTIGATIONS REPORT – Jon Brown

Mr. Brown said there are three major cases coming together at the same time in three different industries. Two of the big cases are in appraisal and mortgage, and the other will be in real estate.

The Division has gotten approval to hire an additional investigator. We will be starting the interviews within the next week. This is a job that has just been approved by the Legislature that becomes effective July 1st.

There have been 12 complaints screened, with no cases opened, 13 cases have been opened for investigation, 9 cases have been closed, leaving the number of open cases at 159.

The continuing education audits show there were no new audit cases opened, 3 were closed, leaving the number of open investigations at 33.

Mr. Brown said loan fraud is still a serious problem, and there is a new scheme using reverse mortgages where the victim won't show up for years. It is not like an early foreclosure where the bank will call to notify the person the loan is in default. He said this problem will cover all three industries. The appraiser isn't going to give USPAP's version of who the fee title because the owner is being disguised, the loan officer is booking it as a refinance when he knows it is a sale, and it will be a split closing where one title company will do the seller and another will do the buyer. The true lender will never see a REPC on the seller's side because it has been disguised as a refinance. Mr. Johnson said these loans seem to come in clusters.

EDUCATION/LICENSING REPORT – Tiffeni Wall, Education Coordinator

Mr. Fagergren is out of town, so Ms. Wall will be giving his report. She has a list of 13 continuing education courses sent in by one provider. The Division would like to ask the Commission's opinion on several of the topics presented. One of the courses is about creating an effective business plan, and showcasing listings on the internet.

Commissioner Peretti said the courses would be good for in-house classes, but not for continuing education. After discussion, the Commission has agreed with the Division on the denial of these courses for continuing education.

The Commission congratulated the Division on the recent newsletter. All agreed it was well done.

OTHER BUSINESS

Director Miller said the Division has started the process of updating and revising the Division's website. It will include both cosmetic and organizational changes, but more importantly, substantive changes in content. The Division will come up with list of the most frequently asked questions to make the website more user friendly.

Mr. Brown reminded the Commission of the upcoming date change for the next meeting. The meeting will be on September 13, 2006 because the original date of September 20 was in conflict with ARELLO and UAR.

An Executive Session was held from 9:45 a.m. to 10:09 a.m.

LICENSE HEARINGS: **MAY BE CLOSED TO PUBLIC**

10:10 W. David Varga - Application for License
Gary Church, Branch Broker, Prudential Utah Real Estate – Bountiful Branch

11:00 David Schowalter – Disciplinary Action
Requested to reschedule.

A motion was made to go into an Executive Session from 11:04 a.m. to 11:13 a.m.

Review of Stipulations

Thomas G. Callister
Raymon D. Cox
Kathryn Guthrie

RESULTS OF EXECUTIVE SESSION

Informal Hearings:

W. David Varga – Granted
David Schowalter – Allowed to reschedule.

Stipulations:

Thomas G. Callister – Approved
Raymon D. Cox – Approved
Kathryn Guthrie - Approved

A motion was made and accepted to adjourn the meeting at 11:14 a.m.