

REAL ESTATE COMMISSION MEETING

Heber M. Wells Building
Room 210
9:00 a.m.
July 15, 2015

MINUTES

DIVISION STAFF PRESENT:

Jonathan Stewart, Division Director
Mark Fagergren, Education and Licensing Director
Jeffery Nielsen, Chief Investigator
Justin Barney, Hearing Officer
Judith Jensen, Assistant Attorney General
Renda Christensen, Board Secretary
Mark Schaerrer, Investigator
Kadee Wright, Investigator
Van Kagie, Investigator

COMMISSION MEMBERS PRESENT:

Russell K. Booth, Chair
Lerron E. Little, Vice Chair
Calvin R. Musselman, Commissioner
Lori Chapman, Commissioner
William O. Perry, IV, Commissioner

GUESTS:

Tammy Lund	Brian Swan
Susan Aguliar	Mike Herbert
Shane Norris	Peter Christensen
Kevin Swenson	Dan Naylor
Chaz Bernson	

The July 15, 2015 meeting of the Utah Real Estate Commission began at 9:00 a.m. with Chair Booth conducting.

PLANNING AND ADMINISTRATIVE MATTERS

Elections of Chair and Vice Chair -

Nominations were held for the Chair to serve for the year of July 2015 through July 2016. Russell Booth was nominated and voted on unanimously to be Chair.

Nominations were held for the Chair to serve for the year of July 2015 through July 2016. Lerron Little was nominated and voted on unanimously to be Vice Chair.

Approval of Minutes - A motion was made and seconded to approve the written minutes from the June 17, 2015 meeting of the Commission. Vote: Chair Booth,

yes; Vice Chair Little, yes; Commission Chapman, yes; Commissioner Perry, yes; Commissioner Musselman, yes. Motion was approved.

Public Comment Period – Comments on the recent public service announcements were made by Chair Booth and Commissioner Chapman.

DIVISION REPORTS

DIRECTOR'S REPORT – Jonathan Stewart

Director Stewart brought up the next legislative session and any changes the Division might want to make. There will be a meeting this afternoon to finalize a list of legislative changes the Division wants to propose. There are no specific items available today, but in looking at his list this morning, Director Stewart said there are three items the Division is considering that will affect all three industries, and one that would apply specifically to real estate. Director Stewart said he would like to have a list of proposed changes that we would like to submit to the legislature for the next session.

The ARELLO newsletter, July 2015, recently had an article regarding the TRID deadline being extended until October 2015. The CFPB also gave additional guidance, specifically to real estate agents and brokers, on how settlement service providers can add their business logos to the Your Home Toolkit that the CFPB published earlier this year. There is a link to this toolkit on the Division's website under Consumer Resources.

ENFORCEMENT REPORT – Jeffery Nielsen

Mr. Nielsen reported in June the Division received 16 complaints; opened 15 cases; closed 15 cases; leaving 296 open real estate cases. There are 57 cases with the AG's office.

Fines for Unlicensed Activity – Mr. Nielsen discussed this topic again with the Commission to see if they had any further questions or concerns. Mr. Fagergren said that licensees receive notices of their licenses coming up for renewal at 45 days; at 30 days; and again at 15 days. A fourth notice is sent four days after the license has expired, and a cease and desist letter is sent. The Division believes that sending our four notices to the licensees is more than adequate notice.

A motion was made and seconded for a fine schedule: expired up to 30 days, 50% of the disgorgement of the commission; 30-90 days, 100% disgorgement of the commission; fines used for Stipulation and Order. Vote: Chair Booth, yes; Vice Chair Little, yes; Commissioner Chapman, yes; Commissioner Musselman, yes; Commissioner Perry, yes. The motion passes.

Mr. Nielsen said that the Division has drafted a Pre-Stipulation Disclosures form to be used before the actual Stipulation and Order is issued. He asked the Commission to review the information and come back with any suggestions they

might have for the next meeting.

There are no enforcement stipulations for review.

EDUCATION AND LICENSING REPORT – Mark Fagergren

Mr. Fagergren said the RELMS system has several functions that are not working at this time. He had a meeting with the Utah Interactive to try to get resolution to the problems. The root of the issue is that real estate has a complicated system for continuing education. One way to solve the issue would be to have every licensee take continuing education at every renewal.

A comment was made that the main reason licensees go inactive is not necessarily because of the cost of the continuing education, it is because of the cost of the membership fees with the Boards.

Another issue with RELMS is the change card function. The staff is continuing to use paper change cards because that function does not work in the system.

Mr. Fagergren said he receives comments on the new agent course that is required. There is concern that the same type of course needs to be done for brokers. It would create an outline of what the brokers need to be taking such as rules, statute updates, trust accounts, supervising agents, etc. He asked the Commission to consider the option and we can discuss it at a later date.

There are no education stipulations for review.

COMMISSION AND INDUSTRY ISSUES

Discussion of Proposed Rules – Justin Barney

Mr. Barney said the Division is still working on the rule amendments that were discussed last month.

The proposed rule change, R162-2f-401a, regarding the final price information in a transaction, now has three options: 1) to make the proposed changes effective now; 2) to let the proposed rule expire; or 3) to terminate the process now. A motion was made and seconded to let the proposed rule changes expire. Vote: Chair Booth, yes; Vice Chair Little, yes; Commissioner Chapman, yes; Commissioner Musselman, yes; Commissioner Perry, yes. The motion passes.

Vice Chair Little would like a discussion on new construction signage.

INFORMAL HEARING:

10:12 Chaz Bernson - Application for License
 Jeff Bernson, Father
 Stephanie Bernson, Mother

Chair Booth has recused himself from this hearing because he knows the family. Vice Chair Little will conduct the hearing.

CLOSED TO PUBLIC

A motion was made to close the meeting for the sole purpose of discussing the character, professional competence or physical or mental health of an individual. Vote: Chair Booth, yes; Vice Chair Little, yes; Commissioner Musselman, yes; Commissioner Chapman, yes; Commissioner Perry, yes. The motion carries. An Executive Session was held from 11:35 a.m. to 12:16 p.m.

OPEN TO PUBLIC

Results of Executive Session

Mr. Bernson will be notified by mail as to the outcome of the hearing.

A motion was made and seconded to adjourn the meeting. Vote: Vice Chair Little, yes; Commissioner Chapman, yes; Commissioner Perry, yes; Commissioner Musselman, yes. The motion passes. The meeting adjourned at 12:16 p.m.