

REAL ESTATE COMMISSION MEETING

Heber M. Wells Building
Second Floor Hearing Room
9:00 a.m.
June 20, 2007

MINUTES

STAFF MEMBERS PRESENT:

Derek B. Miller, Division Director
Dee Johnson, Enforcement Director
Mark Fagergren, Education/Licensing Director
Shelley Wismer, Assistant Attorney General
Renda Christensen, Board Secretary
Amanda Orme, Mortgage Education Coordinator
Tiffeni Wall, Real Estate Education Coordinator

COMMISSION MEMBERS PRESENT:

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

GUESTS

John Schoppe	Curtis Bullock
Tammy Lund	Lance Miller
Kevin Swensen	Chad Ahearn
Paul Naylor	Lee Holt
Hamid Hosseini	Linda Leavitt
Jack Marinello	Melissa Kline
Chris Donaldson	Norm Marquardson
Alan Rindlisbacher	Mitchell Jones

The June 20, 2007 meeting of the Utah Real Estate Commission began at 9:02 a.m. with Chair Walker conducting.

Approval of Minutes

The minutes for April 18, 2007 were approved as written.

DIVISION REPORTS

DIRECTOR'S REPORT – Derek B. Miller

Director Miller commented that over the last week the Commissioners should have received an e-mail from Ms. Christensen regarding the proposed rules being submitted by the Escrow and Title Division. The last legislative session the insurance statutes were modified so that whenever the Escrow and Title Division begins a rulemaking

process, they are now required to notify the Real Estate Division. They will send an e-mail to Ms. Christensen and she will forward the information to the Division and Commission. If you happen to have any comments or concerns, you would follow the regular public comment process.

In our last meeting we adopted rules for the education providers on continuing education, on-line education, distance education, traditional education, and pre-license education. There will be a new agent course that will be implemented over the course of the summer. The most positive feedback that he has received has been on the new agent course. Second on the list of positive feedback would be on our education rules and the concept of the core topics. People are excited about the fact that there will be more flexibility to take the courses from providers that they want on their own time, and that the topics will be relevant, timely, and in subject areas that the Commission finds important.

Mr. Fagergren gave a update and stated there will be a brief meeting today at 10:00 after this Commission meeting with all school providers where we will be going through all the rules dealing with CE, pre-license and the new requirements. We have spoken with the Boards of Realtors and Utah Association of Realtors, about the CE requirements and how it will impact them. Today's meeting will be beneficial to have the schools ask questions. There have been 45 applications for course certification received by the Division and we have plans to put them on the website tomorrow after the approval of those courses. The private sector and the government will work together in to implement these changes.

Director Miller said about a year and a half ago the Division had a backlog of applications about four weeks out. This caused a slow down in the industry and at the Division as well. The major solution to the problem was increasing on-line renewal. Mark and his staff have done a lot to improve the on-line renewal system was then in place to make it more user friendly and easier to verify continuing education to renew. Over the course of the last year, on-line renewal has gone from about 25% to consistently about 60%. The Division is seriously considering moving to a system where it would be required to renew your license on-line, with a hardship exemption for those who require it. Sometime this Fall there will be a requirement for everyone to renew their license on-line. The real purpose is not to hassle people, but to redirect the limited resources that we have at the Division that could be better used at answering phone calls, taking peoples questions, dealing with serious issues, and not just doing manual data entry when someone handwrites a form and sends it in. Our on-line License Management System is very close to completion. This will allow people to do an on-line change card, update their address, change their affiliation, etc. Mr. Fagergren said the system should be implemented within this next month.

Director Miller had Mr. Johnson give the Commission an update on the Mortgage Fraud Task Force. The Task Force was established with the help of the U.S. Attorney's office. There are a number of participants including the Attorney General, other agencies such as the Department of Financial Institutions, Department of Insurance, FBI, county

prosecutors, IRS, and Social Security Administration. The purpose of the Task Force is very specific in that it is not to come and discuss what the problems are, and the reason why it's made up of governmental agencies, is because what they discuss specific cases that are being investigated by name and by misdeed and by allegation, and by misconduct. It would not be appropriate in that forum to have members of the industry. Mr. Johnson said the Task Force is identifying the worst offenders in our state. The Division has an extensive list of non-licensees that we haven't really been able to address in the past. These non-licensees are mainly getting our licensees in trouble, in addition to committing a tremendous amount of mortgage fraud both by number of transactions and dollar volume. For the first time, the top seven offenders in the state are going to be addressed by criminal prosecutors and criminal investigators. It is exciting to see this group get together and start to formulate a plan to address all of these people. The list that the Division took and shared with everyone increased the number of people they will be looking at, and we came back with an extensive list of our licensees that need to be addressed. The Task Force has been meeting every other week to gather information.

Ms. Wismer has a rule update to change the word "closing" to "settlement", at the last meeting the Commission has voted to delete the requirement that the principal broker must attending the closings. That change has been filed and the first effective date on that rule would be August 8, 2007.

INVESTIGATIONS REPORT – Dee Johnson

Mr. Johnson said on the continuing education audit reports it shows there were 4 new cases opened for investigation, 10 cases closed, 2 Stipulation/Orders signed, leaving 14 cases opened for investigation.

The Division received 37 complaints, screened 23 complaints (no cases opened), opened 11 new cases, closed 9 cases, leaving a total of 176 open case files.

Mr. Johnson said the Division is in the process of hiring two new investigators. Hopefully, in the near future, we will announce those names. In addition, we are hiring a fraud investigator as a separate position.

Director Miller said the process has begun to film three public service announcements. It will help educate and inform the public and they should be running shortly.

EDUCATION/LICENSING REPORT – Mark Fagergren

Mr. Fagergren said there has been some discussion on the new agent core course. Our current understanding is the new agent core course is to be 12 hours. His discussion is whether or not there will be some merit in breaking it down into perhaps 4 or 5 different courses. The rationale was that some people can't take the whole day and a half, but they could take a couple of hours. Commissioner Ashton asked if that course was supposed to be taught as a block and part of their approval process is presenting how the provider will be teaching the class. He asked if some would teach it in a day and a half block, and others will choose to spread it out. Mr. Fagergren said the

problem would be if someone missed an hour or two, they would not get credit for any of the course. Commissioner Sampson said this is a new agent course, and it needs their full attention.

Mr. Fagergren said that Ms. Orme and Ms. Wall attended the REEA conference in St. Louis, MO last week. Many in the audience today attended the conference. They learned how others across the country were dealing with education and improvement of teaching.

Mr. Fagergren announced some changes in the staff. Celia Corey is a key person in our real estate licensing and will be leaving the Division this week. She commutes 3 hours per day and has for a year, and we are in the process of trying to find a replacement for her. There will also be a change in our front counter person, and two licensing people.

CLOSED TO PUBLIC

Review of Stipulations

CCIM Utah Chapter and NAIOP Utah Chapter
Douglas P. Allred
Gary Paul Merrill

A motion was made to go into an Executive Session from 10:18 a.m. to 10:30 a.m.

DISCIPLINARY HEARING: CLOSED TO PUBLIC

11:00 Charlotte Christiansen
D. Bruce Oliver, Attorney
Donna Wise, Witness
H. Craig Norton, Witness
Pamela Konopka, Witness
Donna Gedge, Witness
Administrative Law Judge J. Steven Eklund
Dan Lau, Assistant Attorney General

Testimony was taken from H. Craig Norton and Pamela Konopka.

A lunch break was taken from 12:30 p.m. to 1:40 p.m. Testimony was then taken from Donna Gedge and Donna Wise.

OTHER BUSINESS

Review of Stipulations:

CCIM Utah Chapter and NAIOP Utah Chapter
Douglas P. Allred
Gary Paul Merrill

CLOSED TO PUBLIC

A motion was made to go into an Executive Session from 4:15 pm. to 4:18 p.m.

Results of Executive Session

CCIM Utah Chapter and NAIOP Utah Chapter - Approved

Douglas P. Allred - Approved

Gary Paul Merrill - Approved

A motion was made and accepted to adjourn the meeting at 4:18 p.m.