# Utah Division of Real Estate

# NEWSLETTER

DECEMBER 2019
FOURTH QUARTER



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## RAP Back Fingerprinting Requirement

Hopefully all of you have heard of and are familiar with the new RAP Back requirement that begins on January 1, 2020. Fingerprinting 25,000 to 30,000 licensees over a two-year period is quite an undertaking. The Division currently has one Live Scan fingerprint machine, but has ordered two additional machines to hopefully meet the demand. We are hopeful to have the two additional machines by mid-January. Because of this, it might be a little slow to start, fingerprinting takes time. It takes approximately 15-20 minutes to fingerprint one person. Keep this in mind when deciding when and where to be fingerprinted. In order to prevent excessive wait times, we will be asking licensees to schedule an appointment both at the Division and when we are visiting the Salt Lake Board. To schedule an appointment at the Division of Real Estate, please visit https://utahdre.youcanbook.me/, to schedule an appointment when the Division will be at the Salt Lake Board, please call 801-530-6747. We are committed to fingerprinting as many as we can as quickly as we can, but we ask for your patience.

We have spent a lot of time identifying additional locations around the state where licensees can be fingerprinted. Please take a look at the list of third-party locations to determine the most convenient location for you. Some locations may be farther away, but charge less for the service. Coming to the Division will be free of charge, but you will be required to pay for parking. There are over 50 third-party locations around the state that are willing to fingerprint our licensees. We are still in the process of locating and adding additional third-party locations. As we identify new locations we will update the list found on our website. If there is a part of the state we have not covered, please let us know and we will try to locate a vendor. We have tried to

**Jonathan Stewart**

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independently verify all of the information with each third-party. If you find that there is inaccurate information, please let us know so we can correct the error.

1. **What is RAP Back?**

   "The RAP Back service allows authorized agencies to receive notification of activity on individuals who hold positions of trust (e.g. school teachers, daycare workers [and now real estate and appraisal licensees]) or who are under criminal justice supervision or investigation, thus eliminating the need for repeated background checks on a person from the same applicant agency…" (https://www.fbi.gov/services/cjis/fingerprints-and-other-biometrics/ngi)

2. **Who has to be fingerprinted?**

   S.B. 140 from the 2019 Utah Legislative Session requires all active and inactive real estate agents, brokers, and appraisers to be fingerprinted and enroll in RAP Back.

3. **What is the cost?**

   The Bureau of Criminal Identification ("BCI") charges $40.00 for processing fingerprints and $5.00 to enroll a licensee in RAP Back. Third Party fees: Depending on where you get fingerprinted, there may be additional fees.

4. **When should licensees be fingerprinted?**

   As mentioned above, all active and inactive real estate brokers and sales agents and all appraisers should be fingerprinted during your renewal window for your first renewal after January 1, 2020. The fingerprinting, background check, and RAP Back enrollment must be completed prior to renewing your license.

5. **Why do licensees need to wait until their renewal window to be fingerprinted?**

   As mentioned above, the fee for fingerprint processing and RAP Back enrollment is $45. When a licensee's fingerprints are submitted to BCI, BCI sends a bill to the Division for the $45. A licensee will not pay the $45 until they renew their license. The Division needs to collect the funds from licensees to pay BCI for the processing of fingerprints and enrollment in RAP Back.

6. **Where can they be finger printed?**

   The Division of Real Estate has tried to make it as convenient as possible for licensees to be fingerprinted. The Division has purchased two Live Scan fingerprint machines. Licensees are welcome to come to the Division during regular business hours to be fingerprinted. The Division of Occupational and Professional Licensing ("DOPL") in St. George also has a Live Scan fingerprint machine and has agreed to let licensees get fingerprinted at that location. The Division will also be at the Salt Lake Board of Realtors one day of each month, dates can be found on page five. We have also identified 40+ third party locations around the state where licensees can be fingerprinted. Keep in mind if you are fingerprinted at the Division or DOPL Office in St. George there will not be any additional fees, only the $45. If you are fingerprinted at a third party provider there may be additional fees, but the location may be more convenient. A list of third party providers and fees can be found on the Website https://realestate.utah.gov/rapback.html

7. **What do you need to do prior to being fingerprinted?**

a) Each licensee must visit the Division's website: https://realestate.utah.gov/rapback.html to review and sign a Consent to Background Check form. This will all be done electronically and licensees will have the ability to print a copy for their own records.

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b) After, and only after the licensee reviews and signs the consent form, will they have access to the Authorization for Live Scan Fingerprinting Form that licensees will be required to take with them to be fingerprinted. Please do not make copies of this authorization form for other licensees; the FBI requires that each licensee sign the consent form. Failure to review and sign the consent form on the Division's website could prevent you from being able to renew your license.

c) The Consent to Background Check form and the Authorization for Live Scan Fingerprinting Form can be found on the main page of the Division website (https://realestate.utah.gov/rapback.html) . If you are within your license renewal window (45 days for real estate licensees and 3 months for appraisal licensees), click the RAP Back Fingerprinting button. Remember, you will only be able to access the needed forms when you are within your license renewal window.

8. **What should you take with you when being fingerprinted?**

a) **The Authorization for Live Scan Fingerprinting** Form that you can print on our website once you have completed the Consent to Background Check Form. Print the completed authorization form and bring the form with you when you are fingerprinted. If you do not have all the requested information on the authorization form, you may not be fingerprinted, or your background check may not properly link to your license, which could delay your license renewal.

b) A **copy of your Division license**;

c) A valid driver's license or U.S. passport;

9. **What is the timeframe after being fingerprinted?**

If you are fingerprinted using a Live Scan machine the processing time is typically 24-48 hours. If you are fingerprinted using paper fingerprint cards it can take 30+ days to process. Keep this in mind when deciding when and where to be fingerprinted. If you know you will be using a location that only does paper fingerprint cards, get fingerprinted early in your renewal window.

You will be prevented from renewing your license until the RELMS system receives an electronic acknowledgement from the Utah Bureau of Criminal Identification (BCI) that you have submitted your fingerprints to the FBI for processing, you have no criminal history, or the Division has reviewed your criminal history.

10. **What should you do with fingerprint cards?**

Most Live Scan locations will still print off a fingerprint card for your records. The only time you need to send the fingerprint cards to the Division is if your fingerprints were not electronically submitted to BCI. If you are unsure, please ask the third-party location if your fingerprints have been electronically submitted or not. If they have been, you can retain the cards for your own records.

11. **What about Dual Brokers?**

Dual Brokers only need to be fingerprinted for their Principal Broker license.

12. **What about those holding another license?**

If you are a real estate agent and appraiser, you must be fingerprinted for each license type you have. In addition, if you are already enrolled in RAP Back because you have

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been enrolled for another reason, you still must be fingerprinted and enrolled for each license you have with the Division. The FBI requires separate enrollment for each license type.

13. **Do licensees have to be fingerprinted again?**

Once you are enrolled in RAP Back you will stay enrolled as long as you maintain your license and renew on time. Allowing your license to expire could result in removal from the RAP Back system.

I hope this gives you a better understanding of what RAP Back is and what to expect the next time you renew your license. I know this is an inconvenience, but hope that you all see the value this will add to your industry. I wish you all the best in the new year.

The Division will be offering fingerprinting services monthly at the Salt Lake Board of Realtors for individuals within 45 days of their license expiration date, starting in January 2020. Please remember that **only** individuals in this renewal window (45 days prior to expiration date) will be printed. You will be charged $45 at renewal ($40 for processing, $5.00 to enroll in RAP Back). When fingerprinting is performed **by the Division** there will not be any additional fees.

The Salt Lake Board is located at:

**230 West Towne Ridge Parkway #100**

**Sandy, UT 84070**

The Division will be at the Board on the following dates from 10:00am to 2:00 pm, plan ahead! **Call for the Division for an appointment.** Future dates and times are subject to change. Please refer to the Division's website to verify.

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## RAP Back (Continued from page 4)

January 6 —- Monday
February 3 — Monday
March 2 ——- Monday
April 2 ——— Thursday
May 1 ———- Friday
June 2 ——— Tuesday
July 2 ———- Thursday
August 3 ——- Monday
September 1— Tuesday
October 2 —— Friday
November 2 — Monday
December 3 — Thursday


# Important RAP Back Fingerprinting Information

Not sure what RAP Back is? If you hold a Real Estate or Appraisal license this new requirement will effect **YOU**. Please check the Division Web site for a list of third party fingerprint providers https://realestate.utah.gov/rapback.html

Please be sure to read about RAP Back on pages 1-4.

# RULE DEVELOPMENTS SINCE SEPTEMBER 1, 2019

To view and comment on any proposed or amended rules during the public comment period, please visit the Utah State Bulletin at

http://www.rules.utah.gov/publicat/bulletin.htm

**Appraisal Management Company**

There are no recently adopted or proposed rule amendments under consideration for the appraisal management company rules.

**Appraisal**

On November 5, 2019, an amendment to the Real Estate Appraiser Licensing and Certification Rules became effective. The amended rule exempts an appraiser from complying with Standards 1 through 3 of USPAP when performing an evaluation. The amendment does not affect other USPAP requirements for an appraiser performing an evaluation. An appraiser does not receive experience hours for the performance of an evaluation.

The amended rule also clarifies the requirement that a school or continuing education provider upload course completion information within 10 days after a course is completed to the database specified by the Division for each student who completes the course.

Amended Sections: R162-2g-304d and R162-2g-502a

https://rules.utah.gov/publicat/bulletin/2019/20190915/content.htm

**Mortgage**

On November 6, 2019, an amendment to the Utah Residential Mortgage Practices and Licensing Rules became effective. The amended rule adjusts the timing for a licensee to complete the required continuing education course for new mortgage loan originators. Adjusting the timing allows the nationwide licensing system (NMLS) to automatically track the course completion for each new loan originator who is required to take the course. Without this rule amendment, Division staff would have to manually track each new loan originator to verify that the course was completed. Manually tracking the course is time consuming and raises the possibility of errors occurring. This rule amendment does not create a new continuing education requirement for mortgage licensees.

The rule amendment also requires that an applicant for reinstatement of their recently expired mortgage license complete the mandatory CE course for new mortgage loan originators, similar to the current requirement for licensed applicants applying to renew their license.

Amended Section: R162-2c-204

https://rules.utah.gov/publicat/bulletin/2019/20190915/content.htm

**Real Estate**

There are no recently adopted or proposed rule amendments under consideration for the Real Estate Licensing and Practices Rules.

**Timeshare and Camp Resort**

On November 5, 2019, the Timeshare and Camp Resort Rules were amended. The amendment extends the window of opportunity for a timeshare developer to reinstate an expired project registration from 30 calendar days to 90 calendar days.

Amended Section: R162-57a-9

https://rules.utah.gov/publicat/bulletin/2019/20190915/content.htm

**Coming in 2020!**

The Division will commence a four part series beginning with the first quarter 2020 Division Newsletter outlining brokers and brokerage procedures required by statute and rule. The series will be informational as to the requirements regarding record retention, trust accounts, transaction files, etc.

**May your holidays sparkle with moments of love, laughter, and goodwill. And may the year ahead be full of contentment and joy. Have a happy holiday season.**

# Mortgage Renewal 2019-20

The year 2019 has come to an end, and so too has the mortgage license renewal procedure for 2019. This year, in addition to the Utah specific requirement of the 2-hour Utah Law Course, mortgage loan originators (MLOs) that were licensed between January 1st, 2018 and December 31, 2018 were required to complete the new 5-hour Utah MLO Course before they can renew their MLO license for 2020. The 2-hour Utah Law Course and the 5-hour Utah MLO Course (for those newly licensed in 2018) are in addition to the 8-hour Federal CE which is required nationally for all renewing mortgage licensees. Both the 2 -hour Utah Law Course and the 5-hour Utah MLO Courses are tracked through the NMLS.

The 2019 renewal cycle went smoothly with relatively few individual and industry phone calls, e-mails, and live chats regarding state specific renewal requirements. At the time of this writing 84% of our licensees have requested renewal and 94% have been approved. There are 157 applicants who have not had their renewal approved yet.

In addition to receiving a confirmation email from the NMLS stating that your renewal has been approved, you will also receive an email from the Division of Real Estate with your Mortgage license attached (please allow up to 10 business days from the day your renewal shows approved to receive the DRE email). You may print your license at your convenience.

If however, you have not received an email confirmation through the NMLS system that your license renewal is approved and you requested your renewal more than two weeks ago, please log into your NMLS account and see if there are deficiencies on your license (license items) that are holding up the approval. Please check your NMLS account in the following manner. Log in to your NMLS account: Click the “composite view,” tab at top of screen, then click the “View individual” link from the submenu at top of screen, click the “view license/registration list,” link on the left navigation panel and then your Utah license and license status will display, click on the hyperlinked number under the “License Items” column to view license item information screen, item details will display under the “Active License Items” section. Generally, there are corrections or additions required in your NMLS account that you can take care of fairly easily. Mostly, they are for updating your employer history, or failing to authorize or provide required documentation.

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# Mortgage Renewal 2019-20

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If you requested renewal prior to the December 31, 2018, deadline, you can continue to use your license according to your license status as of the day you requested your renewal in the NMLS, while we review your application. **If you failed to request your renewal before year end, you should immediately discontinue any activity that requires a mortgage license until you have a renewal approved by the Division. You will need to submit a late renewal application before February 29, 2020.**

If you find that you have not requested renewal prior to the end of the year and you still wish to maintain your mortgage license, you can reinstate your license prior to February 29, 2020. You will need to complete all continuing education requirements, the 2019 Late CE, the 2-hour Utah Law course, and the 5-hourr Utah MLO course for those who received their initial Utah MLO license between January 1, 2018 and December 31, 2018, request your renewal through the NMLS, pay the renewal fee and a **$50 late** fee. If you completed your CE prior to the end of the year, but did not request renewal, you will not need additional CE, you will just need to request renewal and pay the renewal and late fee through the NMLS prior to February 29, 2020. For more information on how to request a late renewal please visit the NMLS renewal resource center using the link below. https://mortgage.nationwidelicensingsystem.org/slr/common/renewals/Pages/default.aspx

*Please note the importance of the February 29, 2020 deadline. After that date, licensees who wish to reapply for a Utah mortgage license will need to meet all requirements for a new license. If you have questions please contact the Utah Division of Real Estate at (801) 530-6747.*

# The Great Inspection Addendum Disappearance Act

## by Laurel North — Real Estate Investigator

In reviewing licensees' transaction files, I've noticed a disturbing lack of inspection addenda. I'm suspecting that a majority of transactions have an inspection agreement between buyers and sellers, but the agreement is being withheld from lenders, title companies, and brokerage office files. If this is true, you could be in violation of several statutes and/or rules. Remember, if the transaction file does not reflect the true terms of the transaction you are in violation of the following rule R162-2f-401b (4) (a) and possibly also Rule R162-2f-401b (6).

Penalties assessed for each violation could be as high as $5,000. Ouch! Right?! If you have an inspection addendum, it's mandatory that it becomes part of the purchase contract. And, yes, you need to deliver a copy to the buyer's lender, the title company, and your broker for required file and record retention.

If you are a Realtor® use, the UAR approved Resolution of Due Diligence Addendum which outlines three effective options available to buyers and sellers when finalizing inspection requests. These options are listed below:

- Seller contribution toward buyer's closing costs. This contribution would free up some of the buyer's funds so they could remedy inspection concerns after closing.

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## The Great Inspection Addendum Disappearance Act
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I love this option, and as a practicing sales agent for 24 years, I would enthusiastically recommend this option as long as it is financially feasible for my buyer to make a higher quality repair than an outgoing seller would be willing to remedy.

- Purchase Price Reduction. Reducing the overall contract sales price can lower a monthly mortgage payment or decrease the amount of funds needed to close for a cash buyer.

My clients didn't choose this option very often, but it's easy to understand the benefits of a lower contract sales price as a quick solution.

- Repairs to be made by Seller. This is the option that causes the most heartburn for buyers, sellers, sales agents, and mortgage lenders.

I've never read an inspection report that says "This home is perfect – no repairs needed," so if your buyer chooses this third option, you need to have a conversation about which items are "deal breakers" for them. Keep in mind, these "deal breakers" will differ greatly from client to client because every buyer has different fears, concerns, and resources.

These repairs can initially be negotiated outside the purchase contract and BE SURE to include your buyer's lender in on this conversation before anything is signed so that your buyer understands what the lender will allow. Once a resolution is agreed upon, write it up, have both parties sign it, and make it part of the official contract by delivering a copy to all parties involved. This is possibly the best way to protect your client.

Ideally, this list will be brief, specific, and easy to understand for all parties. If the repairs are substantial, plan for extended contract deadlines allowing for bids, follow-up inspections, and re-appraisals before final loan approval will be given.

If you don't have access or authorization to use the UAR "Resolution of Due Diligence Addendum" use the State Approved Blank Addendum to finalize your repair requests, but remember, unless you are an attorney, you are not authorized to draft and create contracts so use this option with care to limit possible liability for yourself and your client.

One final thought, don't be bullied by your buyer's lender when they tell you "I don't want to see your repair addendum" or "the loan won't be approved with these repair requests." Calmly and clearly ask them to get an officially signed letter from their lender requesting exclusion of the repair addendum from the contract. Remember, you are the one responsible for representing your clients' interests in purchasing a property. Advise your clients to the best of your ability and have them chat with their lender before you prepare the negotiated repair addendum to avoid the temptation of performing The Great Inspection Addendum Disappearance Act.

# Where'd You Get Those Stats?

## by Laurel North — Real Estate Investigator

Complaints are on the rise questioning the accuracy of statistics used by licensees in advertising on billboards, websites, direct mail, direct, and social media.

In a recent interview, a licensee emphatically stated, "Numbers don't lie" when discussing questionable statistics used on a website. This statement may be true in a general sense but the interpretation and representation of numbers can be misleading. The statistics in question were completely unsourced, so one has to wonder, where'd this person get those stats?

Part of my job with this complaint is to systematically and accurately examine and gather evidence on whether the licensee fabricated the statistics or if there is a reasonable and justifiable method of calculation whereby I (or anyone for that matter) could come to the same conclusions. In essence, are the statistics used in the advertising verifiable? Are the statistics misleading?

If the Division finds that a licensee is using false, inaccurate, or misleading statistics in a way that is likely to influence, persuade or induce a customer to use your services, you could be in violation of 61-2f-401 (1a), (1b), (1c), (1d) and (1e) and (13).

As it turns out, the Respondent relied on a marketing service for the statistics and I could roughly come to the same statistical figures using data obtained from the Wasatch Front Regional Multiple Service. If this licensee would have sourced their reference material, there may not have been a complaint in the first place.

The best practice when using statistics in your advertising is to state the source of your information, provide the year the data was collected and ideally, include a "one click link" or website so consumers can verify where you obtained your statistical facts. If you compile the statistics yourself, list the data resource, the date you crunched your numbers, and how you came to that conclusion. If you pay a market research firm to compile your statistics, list the company's name, year, and demographics they use in collecting their figures.

Here are two examples of well sourced statistics I found on the NAR Quick Real Estate Statistics written on May 11, 2018.

• There are approximately 121.6 million occupied housing units in the United States, according to the 2017 American Housing Survey. The typical owner-occupied home was built in 1978; the typical renter-occupied home was built in 1974. The typical home size is 1,500 square feet. The typical home owner is 55 years old and has lived in the current home for 14 years.

• In 2016, 63.7% of families owned their primary residence, according to the Federal Reserve Survey of Consumer Finances.

In both of these examples, it's easy to verify the origin of the statistics because of the built in links.

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## Where'd You Get Those Stats?

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I made a few links myself just to make sure this isn't an unreasonable task. Just ask Google, like most things IT, and 3 steps later you've created a professional quality Hyperlink!

Statistics are a captivating way to inform your customers. Everyone loves to be current on real estate trends, just make sure they are regurgitating accurate information from your advertising to their co-workers, friends, and family. Who knows? They could be your next big client or business and they already trust you because you offered them informative, well sourced statistics.

## Additional Testing Center Locations

The Division is pleased to announce two additional testing center sites will soon be opening for real estate, mortgage lending manager, and appraisal candidates to take their state licensing exams. By the end of February 2020, there will be new testing centers in Bountiful and Orem. With the addition of the two new testing center locations, there will be a total of four locations to better serve test takers' needs.

Having testing centers located in Ogden, Bountiful, Draper and Orem should allow for greater convenience in terms of test scheduling.

# FOURTH QUARTER LICENSING and DISCIPLINARY ACTIONS

Please note that Utah law allows 30 days for appeal of an order. Some of the actions below might be subject to this appeal right

**APPRAISAL**

There were no licensing or disciplinary actions involving appraisers during the third quarter.

**MORTGAGE**

BAYON, MARCELLO, mortgage loan originator, Layton, Utah. In an order dated November 6, 2019, Mr. Bayon's license was granted and immediately suspended due to outstanding warrants. Case number MG -19-113717

BORST, JULIA G., lending manager, Park City, Utah. In a stipulated order dated September 4, 2019, Ms. Borst admitted that while she was the principal lending manager for a licensed entity, she allowed an unlicensed staff member to originate two residential mortgage loans in Utah under her lending manager license, in violation of Utah law and administrative rules. Ms. Borst agreed to pay a civil penalty of $10,000 and to have her license suspended for two years. Docket number MG-2019-003, case number MG-18-103346

DE SANTI COTELLO, PAULA A., mortgage loan originator, Riverton, Utah. In a stipulated order dated November 6, 2019, Ms. De Santi admitted that she received commission payments for two residential mortgage loans for transactions originated by an unlicensed staff member and then issued checks as compensation to the unlicensed staff member, in violation of Utah law and administrative rules. Ms. De Santi agreed to pay a civil penalty of $4,000, to have her license placed on probation until December 31, 2020, and to complete two hours of continuing education in addition to the continuing education required for her next license renewal. Docket number MG-2019-004, case number MG-15-76250

KOLAKOSKY, STANLEY, mortgage loan originator, Garden Grove, California. In an order dated November 13, 2019, Mr. Kolakosky's license was denied due to a plea in abeyance agreement in a criminal matter. Case number MG-19-114254

MORTGAGE EDUCATORS AND COMPLIANCE, mortgage education provider, American Fork, Utah. In a stipulated order dated November 6, 2019, Mortgage Educators and Compliance ("Mortgage Educators") admitted that it was sanctioned on or about April 12, 2019 by the State Regulatory Register for awarding credit to students before they completed the education. At least five of the students held Utah licenses. These actions are in violation of Utah administrative rules. Mortgage Educators agreed to pay a civil penalty of $5,000 and that its Pre-License School license be placed on probation until the next renewal date. Case number MG-19-112385

SECURITY NATIONAL MORTGAGE COMPANY, mortgage lender company, Salt Lake City, Utah. In an Amended Stipulation & Order dated November 6, 2019,

SECURITY NATIONAL MORTGAGE COMPANY ("Security National") acknowledged that it employed an individual who had been previously licensed with the Division as a lending manager. However, from April 17, 2013 through April 8, 2016, this person was not licensed to engage in the residential mortgage business in Utah. During the unlicensed period, the Division claims that Security National paid a partial commission for several mortgage loans to a licensed individual who was part of a team and that the unlicensed team leader was also compensated for these loans in the form of a salary. The Division also claims that the unlicensed person hosted events for real estate agents who referred business to the team. Security National paid all or most of

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the costs of these events. The Division concluded that Security National's acts and practices violate Utah law and administrative rules. Security National agreed to pay a civil penalty of $35,000. Docket number MG-2019-008, case number MG-18-105713

SEVILLA, CARLOS ENRIQUE, expired mortgage loan originator, Herriman, Utah. In a stipulated order dated November 6, 2019, Mr. Sevilla admitted that after the expiration of his license to originate residential mortgage loans he originated two loans. The 1003 loan applications identified another person who was a licensed lending manager as originator of the loans. Mr. Sevilla was compensated from the personal account of a co-worker who was paid a commission on the loans. Mr. Sevilla's conduct is a violation of Utah law. He agreed to pay a civil penalty of $2,000 and to cease and desist from transacting the business of residential mortgage loans unless or until he obtains a license. Mr. Sevilla agreed that he will not apply for a license in the mortgage industry for five years. Docket number NG-2019-005, case number MG-18-103347

TONEY, ERIC LORENCE, mortgage loan originator, Louisville, Kentucky. In an order dated September 17, 2019, Mr. Toney's license was renewed and placed on probation due to a pending criminal matter. Case number MG-19-112800

**REAL ESTATE**

ANDERSON, BARRETT, sales agent, American Fork, Utah. On August 29, 2019, the Division issued a citation to Mr. Anderson for failing to disclose his license status and his brokerage affiliation in advertisements. The citation assessed a fine in the amount of $150. Citation # DREC 19-16, case number RE-19-109800

APPEL, SUSAN K., sales agent, Ivins, Utah. In a stipulated order dated November 20, 2019, Ms. Appel acknowledged that she was the listing agent for a property that included a guest house at the rear of the property. The property was zoned single family residential. Ms. Appel advertised that a buyer could live in one of the homes and rent the other or rent both homes on the property. Ms. Appel admitted that the advertisement was a violation of Utah law which prohibits advertising in a false, misleading, or deceptive manner. She agreed to pay a civil penalty of $500 and to complete two hours of continuing education in addition to the continuing education required for her next license renewal. Case number RE-18-106190

BALACAZAR-MONTELONGO, JESUS ALAJANDRO, sales agent, West Valley City, Utah. In an order dated September 4, 2019, Mr. Balacazar-Montelongo's license was granted and placed on probation due to a pending plea in abeyance agreement in a criminal matter. Case number RE-19-112528

BECK-BROMAN, SARA JANAY, sales agent, Riverton, Utah. On August 29, 2019, the Division issued a citation to Ms. Beck-Broman for advertising without identifying her brokerage affiliation and for advertising in a false, misleading, or deceptive manner. The citation assessed a fine in the amount of $500. Citation # DREC- 19-19, case number RE-19-109503

BELKNAP, BRYAN CHRISTOPHER, sales agent, Sandy, Utah. In an order dated October 3, 2019, Mr. Belknap's license was denied due to his criminal history. Case number RE -19-113254

BIRD, MELISSA, sales agent, Springville, Utah. In an order dated September 5, 2019, the fine from a citation issued previously by the Division was upheld after appeal by Ms. Bird. She was fined $1,000 for an advertisement for the sale of property placed with her knowledge and concurrence identifying her as the exclusive agent for the sellers when her license was inactive and when she did not have written authorization from the property owners. Case number DREC 19-10

BLACK, BRITTANY, principal broker, Salt Lake City, Utah. In a stipulated order dated March 21, 2018, Ms. Black admitted that she listed two properties on the MLS without first obtaining a written agency agreement with the sellers, in violation of Utah administrative rules. Ms. Black agreed to pay a civil penalty of

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$2,000 and to complete six hours of continuing education in addition to the continuing education required for her next license renewal. Case number RE -16-87238

BLACKBURN, STEVEN DOUGLAS, sales agent, Draper, Utah. In an order dated October 29, 2019, Mr. Blackburn's license was granted and placed on probation for the initial licensing period due to a plea in abeyance agreement in a criminal matter. Case number RE-19-113923

BLUMENTHAL, BRAD W., sales agent, Salt Lake City, Utah. In an order dated September 26, 2019, Mr. Blumenthal's license was renewed and placed on probation for the renewal period due to criminal conduct during the past licensing period. Case number RE-19-113099

BOLLWINKEL, DANE, sales agent, Sandy, Utah. In a stipulated order dated September 18, 2019, Mr. Bollwinkel admitted that he failed to disclose his status as a licensee of the Division when making or soliciting offers to purchase property through a company for which he was the managing member, in violation of Utah law and administrative rules. Mr. Bollwinkel agreed to pay a civil penalty of $500 and to complete three hours of continuing education in addition to the continuing education required for his next license renewal. Docket number RE-19 -014, case number RE-18-99968

BOURDOS, BRANDON, sales agent, Holladay, Utah. In a stipulated order dated November 20, 2019, Mr. Bourdos admitted that he obtained a quit claim deed and a trust deed without recourse in a transaction for a property from sellers who were in financial difficulty. The conditions under which he received the deeds were in violation of Utah law and administrative rules. Utah law prohibits a licensee from participating in a foreclosure rescue that requires the transfer of the property to the licensee. Mr. Bourdos's also acted as a limited agent in the transaction in which he was both limited agent and principal. He agreed to pay a civil penalty of $5,000 and to complete six hours of continuing education in addition to the continuing education required for his next license renewal. Case number RE-17 -92618

BRIERLEY, PHILIP, real estate broker, Salt Lake City, Utah. In an order dated October 3, 2019, Mr. Brierley's license was granted and placed on probation for the initial licensing period due to a Consent Order between Mr. Brierley and another state regulatory agency. Case number RE-19-113256

CALDER, BRONSON, associate broker, Park City, Utah. In an order dated October 25, 2019, Mr. Calder's license was renewed and placed on probation for the renewal period due to criminal conduct during the past licensing period. Case number RE-19-113843

CLINGER, BRIAN J., sales agent, Draper, Utah. In an order dated October 31, 2019, Mr. Clinger's license was renewed and placed on probation for the renewal period due to criminal conduct during the past licensing period. Case number RE-19-113979

COKER, GARY, dual broker, Draper, Utah. On November 14, 2019, the Division issued a citation to Mr. Coker for advertising properties after submitting an incomplete application for registration of a new brokerage. As a result, the brokerage was not registered while advertising real estate services. The citation assessed a fine in the amount of $1,000. Citation # DREC- 19-23, case number RE-19-114225

COPE, MICHELLE MARIE, sales agent, Provo, Utah. In a stipulated order dated November 20, 2019, Ms. Cope admitted that she failed to disclose

criminal history in her application for licensure, in violation of Utah law. Ms. Cope agreed to pay a civil penalty of $1,500 and that her license would be on probation for the initial licensing period. Case number RE-19-112867

DEARING, GEOFF W., principal broker, Midvale, Utah. On August 29, 2019, the Division issued a citation to Mr. Dearing for advertising without including his brokerage affiliation. The citation assessed a fine in the amount of $150. Citation # DREC-19-18, case number RE-18-101691

DICKINSON, JESSICA, sales

(continued on page 15)

## LICENSING AND DISCIPLINARY ACTIONS

(continued from page 14)

agent, Tooele, Utah. In an order dated November 25, 2019, the Commission granted Ms. Dickinson's application for licensure and placed her license on probation for the initial licensing period due to criminal history. Case number RE-19-113921

DOBBINS, CHRISTINA, sales agent, Payson, Utah. In an order dated September 17, 2019, Ms. Dobbins's license was granted and placed on probation for the initial licensing period due to a child support arrearage. Case number RE-19-112837

FRESH, ALLISON PEARL, sales agent, Syracuse, Utah. In an order dated September 24, 2019, Ms. Fresh's license was reinstated and placed on probation for the renewal period due to a plea in abeyance agreement in a criminal matter. Case number RE-19-113028

GALE, LACEY LYNN, sales agent, Lehi, Utah. In a stipulated order dated November 20, 2019, Ms. Gale acknowledged that she had advertised real estate services by placing notes on the doors of homes. She admitted that the notes did not disclose her status as a licensee and did not identify the brokerage with which she was affiliated, in violation of Utah administrative rules. Ms. Gale agreed to pay a civil penalty of $150 and to complete three hours of continuing education in addition to the continuing education required for her next license renewal. Case number RE-18-103968

GRIFFEE, MICHAEL C., sales agent, American Fork, Utah. In an order dated October 2, 2019, Mr. Griffee's license was reinstated and placed on probation for the renewal period due to a plea in abeyance agreement in a criminal matter. Case number RE-19-113234

HARKNESS, PAUL, principal broker, Millcreek, Utah. In a stipulated order dated September 18, 2019, Mr. Harkness admitted that he had advertised a property on the MLS that listed the incorrect acreage of the property. He also failed to extend the due diligence deadline in the REPC as requested by his client. These actions are in violation of Utah law and administrative rules. Mr. Harkness agreed to pay a civil penalty of $1,000 and to complete three hours of continuing education in addition to the continuing education required for his next license renewal. Case number RE-16-86677

HENSLEY, DARREN, sales agent, Santa Clara, Utah. In an order dated September 24, 2019, Mr. Hensley's license was granted and placed on probation for the initial licensing period due to criminal history. Case number RE-19-113027

HOLBROOK, TODD, principal broker, Salt Lake City, Utah. On October 10, 2019, the Division issued a citation to Mr. Holbrook for allowing the placement of an advertisement that failed to include required information. Mr. Holbrook had an interest the property. The advertisement did not disclose that he was an owner-broker or his brokerage affiliation. The citation assessed a fine in the amount of $150. Citation # DREC-19-22, Case number RE-19-112190

HOOPES, MITCHEL HARLOW, sales agent, Midvale, Utah. In an order dated November 5, 2019, the Commission granted Mr. Hoopes's application for licensure and immediately suspended his license for the initial licensing period due to criminal history. Case number RE-19-112011

KING, BRANDON J., sales agent, Eagle Mountain, Utah. In an order dated November 27, 2019, Mr. King's license was granted and placed on probation due to a pending criminal matter. Case number RE-19-114629

KNIGHT, JASON R., principal broker, Lehi, Utah. On August 29, 2019, the Division issued a citation to Mr. Knight for advertising in social media without including his brokerage affiliation. The citation assessed a fine in the amount of $150. Citation # DREC -19-20, Case number RE-18-100708

KOZLOWSKI, STAN, principal broker, Park City, Utah. In an order dated October 4, 2019, Mr. Kozlowski's license was renewed and placed on probation for the renewal period due to an outstanding fine to another state regulatory agency. Case number RE-19-113294

MARQUEZ, MARILIN, sales agent, Washington, Utah. In an order dated

(Continued on page 16)

(Continued from page 15)

September 24, 2019, Ms. Marquez's license was granted and placed on probation for the initial licensing period due to criminal history. Case number RE-19-113025

MARRIOTT, WADE, sales agent, Centerville, Utah. In a stipulated order dated November 20, 2019, Mr. Marriott acknowledged that he had solicited the purchase of residential property by mail. He admitted that the mail flyer did not disclose his status as a licensed real estate sales agent, in violation of Utah administrative rules. Mr. Marriott agreed to pay a civil penalty of $1,000. Case number RE-18-102267

MARTINEZ, CHRISTOPHER, sales agent, Roy, Utah. In an order dated October 29, 2019, Mr. Martinez's license was granted and immediately suspended for 60 days due to his failure to disclose criminal history in his application for licensure. Following the suspension, Mr. Martinez's license will be on probation for the remainder of the initial licensing period. Case number RE-19-113940

MEDINA, MAXIMILIANO, sales agent, South Jordan, Utah. In an order dated October 16, 2019, Mr. Medina's license was reinstated and placed on probation for one year due to a plea in abeyance in a criminal matter. Case number RE-19-113562

MILLER, JON, dual broker, Salem, Utah. In an order dated September 5, 2019, Mr. Miller's license was renewed and placed on probation consistent with the probation of his principal broker's license pursuant to an order issued April 24, 2019. Case number RE-19-112539

NIELSEN, KARLY, principal broker, Salt Lake City, Utah. On September 3, 2019, the Division issued a citation to Ms. Nielsen for advertising in social media without including her brokerage affiliation. This was Ms. Nielsen's second advertising violation. The citation assessed a fine in the amount of $500. Citation # DREC-19-20, case number RE-18-100708

PEREZ, MARIA KARINA, sales agent, Taylorsville, Utah. In an order dated October 7, 2019, Ms. Perez's license was reinstated and placed on probation for the renewal period due to a pending criminal matter. Case number RE-19-113317

PHILPOT, LINDSAY, sales agent, Stansbury Park, Utah. In a stipulated order dated November 20, 2019, Mr. Philpot admitted that he altered a lender's pre-qualification letter relating to his client and emailed the letter to the listing agent, in violation of Utah law and administrative rules. Mr. Philpot agreed to pay a civil penalty of $5,000 and to complete five hours of continuing education in addition to the continuing education required for his next license renewal. Case number RE-18-97891

PLANT, BRANDON R., sales agent, Sandy, Utah. In an order dated September 4, 2019, Mr. Plant's license was reinstated and placed on probation due to a pending criminal matter. RE-19-112526

REIKHOF, STACEE, sales agent, Draper, Utah. On September 3, 2019, the Division issued a citation to Ms. Reikof for advertising in social media without including her brokerage affiliation. The citation assessed a fine in the amount of $150. Citation # DREC-19-21 Case number RE -19-106730

SAMPSON, GREGORY M., sales agent, St. George, Utah. In a Default Order dated November 12, 2019, the Commission issued a default order after Mr. Sampson failed to appear at an enforcement hearing. Mr. Sampson was alleged to have committed violations of the Utah law and Administrative Rules including, 1) failure to disclose in writing that he was acting as a limited agent for both the seller and the buyer in a transaction; 2) failure to obtain a written agency agreement identifying the seller(s) the agent represents; 3) advertising the sale of the property without the written consent of the owner of the property; and 4) failing to notify the Division within 10 business days of a change in Mr. Sampson's mailing address and home address. The default order assessed a total civil penalty of $20,000. Mr. Sampson requested that the Default Order be set aside. On November 25, 2019, the Commission declined to set aside the November 12, 2019, Default Order. Case number RE-16-85339 and Docket number RE-2019-011.

(continued on page 17)

TATE, MICHAEL L., sales agent, Grantsville, Utah. In an order dated October 31, 2019, Mr. Tate's license was granted and placed on probation for the pendency of certain pending criminal matters. Case number RE-19-113985

THAXON, JEREME, sales agent, Layton, Utah. On Decem-ber 4, 2018, the Division issued a citation to Mr. Thaxon for fail-ing to identify his brokerage in advertising on an internet web-site. The citation assessed a fine in the amount of $150. Citation # DREC-18-17, case number RE-18-98853

TOSCANELLI, ALLESSAN-DRA, sales agent, St. George, Utah. In an order dated October 31, 2019, Ms. Toscanelli's li-cense was granted, immediately suspended for 30 days, and placed on probation for the re-mainder of the initial licensing period due to criminal history. Case number RE-19-113965

UDALL, HANNAH, sales agent, Bountiful, Utah. In an order dated October 29, 2019, Ms. Udall's li-cense was granted, immediately sus-pended for 30 days, and placed on probation for the remainder of the initial licensing period due to her failure to disclose criminal history in her application for licensure. Case number RE-19-113934

UNRAH, JASON WILLIAM, sales agent, Tooele, Utah. In a stipulated order dated September 18, 2019, Mr. Unrah admitted that he failed to dis-close his criminal history in his appli-cation for licensure, in violation of Utah law. Mr. Unrah agreed to pay a civil penalty of $500 and that his li-of Utah law. He agreed to pay a civil penalty of $500. Case number TS-19-113035

**TIMESHARE**

MOALA, SEPETI, timeshare sales-person, Fruit Heights, Utah. In a stip-ulated order dated September 18, 2019, Mr. Moala admitted that he failed to disclose criminal history in his application for registration, in vi-olation of Utah law. He agreed to pay a civil penalty of $1,500. Case num-ber TS-19-112888

RICHARD, STEVEN C., timeshare salesperson, Midvale, Utah. In a stip-ulated order dated September 30, 2019, Mr. Richard admitted that he failed to disclose criminal history in his application for registration, in vi-olation of Utah law. He agreed to pay a civil penalty of $500. Case number TS-19-114632

SAAGA, CONRAD KK, timeshare salesperson, Eagle Mountain, Utah. In a stipulated order dated September 30, 2019, Mr. Saaga admitted that he failed to disclose criminal history in his application for registration, in vi-olation of Utah law. He agreed to pay a civil penalty of $500. Case number TS-19-113030

**OUR MISSION STATEMENT**

The mission of the Utah Division of Real Estate **is** to protect the public and promote responsible business practices through education, licensure, and regulation of real estate, mortgage, and appraisal professionals.

# TESTIMONY OF DAVID S. BUNTON
## President of the Appraisal Foundation
## What's your home worth? A Review of the Appraisal Industry
**Continued from 3rd Quarter Newsletter**

**Appraiser Independence**

The Dodd-Frank Act took some steps to strengthen appraiser independence[3]; however, there is much more that can be done. Many appraisers can relate experiences from years past of being pressured by lenders to "make the deal" or run the risk of not being compensated or being removed from an "approved appraiser list," prohibiting the appraiser from performing future appraisals for that lender. Appraisers are required to be independent, impartial, and objective, and such antics were obviously met with great disdain. Therefore, upon learning that federal legislation would address appraiser independence, many appraisers felt hopeful that they would be able to practice ethically without facing such intimidation.

While Dodd-Frank included prohibitions against such behavior, it also resulted in a proliferation of Appraisal Management Companies (AMCs). AMCs are companies through which mortgage lenders contract for appraisals, and they are designed to act as a firewall between lenders and appraisers. Conceptually, appraisers were not necessarily opposed to the AMC model, as they foresaw an intermediary that might protect them from lender pressures experienced in the past. However, when appraisers realized that AMCs would be funded by taking a portion of the appraiser's fee, the entire system felt the shockwaves. Appraisers who had a track record of performing ethically and competently for many years were now asking, ***"Why do I have to sacrifice my income to avoid facing pressure and intimidation?"***

In addition, borrowers (who pay the appraisal fee when applying for a mortgage) typically have no idea that an AMC is involved in the transaction. A borrower paying a $400 appraisal fee, for example, assumes the appraiser receives that amount. However, the borrower is completely unaware that the AMC receives a share (sometimes a significant one) of that fee. This scenario can also be confusing to a borrower if an appraiser is required to comply with any AMC-specific requirements not imposed by the lender. If the borrower has questions about the appraisal and contacts the lender, the lender might not be able to fully explain why an appraisal was performed in the manner it was.

Another key aspect appearing to fall short of Congressional intent is *enforcement* of appraiser independence requirements. While Dodd-Frank required the creation of an "Appraisal Complaint National Hotline" by the Appraisal Subcommittee[4], the hotline does not track complaints to determine whether alleged violations of appraiser independence actually occurred, whether action was taken, or whether an entity committing such violations revised its policies to avoid future violations. The hotline created provides some valuable information on where complaints can be filed, but without a process to track such complaints through resolution, it is not possible to tell whether any remediation or improvement has occurred. An unscrupulous lender that may not believe change is needed due to lax enforcement could very well continue to operate in that manner. The cumulative effect may result in appraisers feeling pressured or intimidated, causing them to leave the profession and reduce the number of appraisers available to provide valuation services.

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3 Dodd-Frank Wall Street Reform and Consumer Protection Act (2010), revisions to 12 U.S.C. 1639e, 12 U.S.C. 3351, 12 U.S.C. 3353.

4 Dodd-Frank Wall Street Reform & Consumer Protection Act (2010), revisions to 12 U.S.C. 3351

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**Recommendations:**

- **Require AMC fees to be paid by the lender –** Lenders are not required to use AMCs. Lenders may satisfy appraiser independence requirements by establishing an internal firewall within their institutions. Lenders wishing to "outsource" this function to AMCs should bear the burden of this cost, not pass it on to the appraiser. In the past, lenders paid the full fee to appraisers.
- **Require AMC fees to be identified separately in closing documents** – Borrowers paying an "appraisal" fee should have the right to know exactly where that fee goes.
- **Require mandatory tracking and reporting related to complaints of violations of appraiser independence –** To accurately gauge the effectiveness of appraiser independence requirements, it is necessary to evaluate complaints to determine if violations occurred, and what steps were taken to remediate such actions.

## The Impact of Technology on the Appraisal Profession

Technological advances in the appraisal profession offer the opportunity to streamline the valuation process and make it more efficient and less costly. However, these new technology programs have their limitations, and we should never lose sight of the fact that accurate appraisals are the basis of the public's trust in the valuation profession. Recognizing the role of professional appraisals in promoting the public trust, Congress passed Title XI of FIRREA in 1989. It tasked The Appraisal Foundation with the creation of appraiser qualifications and standards that are designed to lead to independent and reliable appraisals performed according to ethical guidelines.

Since the passage of Title XI, we have seen the advent of "big data" and evolving technology, and the introduction of Alternative Valuation Products, including Automated Valuation Models (AVMs). Some individuals believe a computer can provide an equally "accurate" opinion of value to appraisers. As these technologies become more refined, it's likely that, in certain cases, that may be true. In areas with extremely homogenous housing and ample sources of market data, a well written AVM may be an appropriate way to analyze the collateral on a relatively low-risk loan. Estimates of real property value can be determined by computer, taking into account the number of bedrooms and bathrooms in a home, square footage, property size, and other objective factors.

However, there are many markets consisting of properties with varying ages, construction quality, condition, renovation levels, lot sizes, view amenities, etc.—not to mention special financing arrangements or seller concessions. It is in these markets where a professional appraiser is needed to apply the type of judgment that a computer cannot replicate. While a computer can do a great job of "crunching" numbers, its output is only as good as its input. If the information required to properly analyze market activity is not entered by a trained professional with a solid understanding of the marketplace, the ensuing results may be suspect. (See Attachment 5, "Why Appraisers Matter")

In summary, human appraisers, working with the tools of technology, are needed to determine the overall appeal and market value of a property. The consequences of an inaccurate or incomplete appraisal are significant and can impact the purchaser, as well as, in the case of federally backed mortgages, the federal government and the taxpayer. Paying a purchase price that exceeds the value of a property based on an inflated appraisal can cost consumers thousands of dollars and potentially lead to a default.

Despite our concerns, we recognize that technology has its place in the future of the valuation profession and we embrace it when it doesn't compromise public trust. For example, Dodd-Frank directed federal regulators in 2010 to work with The Appraisal Subcommittee and the Foundation to develop standards for AVMs[5]. Nine years later, regulators have not reached out to the Foundation to do this work; however, we are anxious to be helpful in this regard.

5 Dodd-Frank Wall Street Reform & Consumer Protection Act (2010), revisions to 12 U.S.C. §3354

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Technology has allowed Fannie Mae and Freddie Mac to aggregate the data appraisers have produced for their mortgage loans over many years, resulting in one of the most significant databases ever created related to residential real estate. Sharing that data with appraisers would give them more information and enable them to develop an accurate appraisal more quickly and efficiently.

The Foundation is using technology to address a lack of certified appraisers willing to supervise trainees in rural areas. Congress shares the belief that we need to recruit more appraisers to alleviate long delays in many regions of the country. As a result, we are creating the Practical Applications of Real Estate Appraisal (PAREA) program to help alleviate the problem many trainees have experienced, where they have been unable to find supervisors to oversee their practical experience requirements. This program uses technology to provide practical experience in a simulated environment. PAREA is in the early stages of development and we hope to identify a dedicated funding source to bring it to market.

We look forward to working with Congress, our regulators, stakeholders, and the appraisal profession to take full advantage of technology in a way that advances the industry and promotes the public trust.

**Recommendations:**

- Contact the Federal financial institution regulatory agencies to seek an explanation for the nine-year delay in establishing quality control standards for AVMs and a timeline for the completion of the draft standards.
- Direct the Federal Housing Financing Authority (FHFA), the overseer of Fannie Mae and Freddie Mac, to make their residential databases available to appraisers in good standing, incorporating all the necessary privacy safeguards. Appraisers collectively supply the data to these databases and it is critical to give them access.

**Final portion of Mr. Bunton's Testimony will appear in the next quarterly newsletter.**

UTAH DIVISION OF REAL ESTATE

NEWS

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# Division Staff Spotlight

## Karen Duncan

Real Estate

Investigator

Meet Karen Duncan. She joined the Utah Division of Real Estate in April 2019 as an Investigator. She originally worked in Law Enforcement and then shifted into Finances working for Fidelity Investments. From there she went into Real Estate Services in 1993, obtaining her Sales Agent License in 2004.

Karen is a native Utahan. She has been a business owner. She's built and re-modeled homes and has owned rental properties. During her career as a licensed professional Realtor, she served as the Co-Chair then Chair of the Education Committee with the Salt Lake Board of Realtors®. This allowed her to work directly with Habitat for Humanity building homes for hardworking, deserving people.

Karen shared some of the things she likes to do in her spare time with her husband Jim which include golfing, sailing, riding their Harley Davidson motorcycle, attending U of U football games, traveling, and spending time with their friends and family. They have three beautiful grandkids that they just try to keep up with, along with their two hysterical dogs!

Over the years Karen has had the opportunity to work with amazing Clients and dedicated hard-working Realtors. She enjoys being of service to people and she is excited to help keep the Real Estate Industry, an industry that she's loved for so many years, an enjoyable profession for everyone.

# 2019 Instructor Development Workshop

## Len Elder - "Extraordinarily Good Presentation"

The Division invited Len Elder to conduct our annual Instructor Development Workshop (IDW) this year. Len is a nationally recognized instructor, speaker, and trainer. He was a nationally recognized intercollegiate debate award winner and is an attorney, a Distinguished Real Estate Instructor (DREI), and Senior Instructor for a large prelicensing school in his home state of North Carolina.

To say that we were well taught would be an understatement. Participants spent two days filled with wonderful ideas and practical presentation skills that will benefit Utah real estate instructors for years to come.

Among many other very useful things, instructors learned how and why class participants don't retain the information presented to them in a course and practical ways to improve retention!

**Len Elder**

Some of the covered topics included:

* You failed to engage students early and failed to mix up the media;
* You didn't focus their attention… stop pacing and use silence & long pauses;
* Get rid of barriers to learning and make principles relatable;
* Practical ways to set up an effective classroom (placement of the screen, presentation stage, temperature, lighting, seating, and overall room set up);
* You didn't reinforce thoughts with visuals (words on PowerPoint are NOT visuals). Visuals without a point are not education;
* You didn't put things in a memorable context (fun and personally relatable);
* You taught information, not concepts (always explain the practicality of why);
* You didn't build a foundation (teach by example things participants already know);
* Your presentation became mixed with their preconceptions;
* Focus on vocabulary. Explain vocabulary to erase misconceptions;
* Learn "bridge" and "segue" concepts;
*You failed to show why participants needed to know the material (teach to their WHY, not yours); and,
*Learn to inter-relate different Chapters and/or concepts.

Len Elder advised participants how to avoid the most common mistakes in the use of PowerPoint and how to use videos in presentations as well as other advanced concepts in PowerPoint.

The Division thanks Len for his outstanding presentation skills and materials, and for his willingness to share his knowledge. Nearly 100 Utah licensed real estate, appraisal, and mortgage instructors took two days of their valuable time to be taught enhanced instructional techniques and hone their presentation skills.

Some of the many complimentary evaluation comments from attendees of the 2019 IDW are shared with you below:

"Loved it!", "Excellent Instructor", "Fantastic training – Great 'take aways'", "Very well prepared and knowledgeable", "Everything was great", "Excellent training. Very helpful", "One of the best training (courses) I have ever been to", "Fabulous presenter – Many useful ideas provided", "This instructor understands that an instructor's job is to facilitate learning, not just teach us what he knows, but to help us to learn", "Well done", "It was perfect!", "Len was amazing – I enjoyed every second", "He was fantastic – Motivating – Informed- Educated- Well spoken – Relatable – I want him back to the next

(continued on page 23)

# IDW (continued from page 22)

IDW", "Great course! This speaker inspired me greatly! Great job", "Outstanding Instructor!", "Pure Excellence", "Outstanding", "Off the grid!!", "Awesome instructor; great information germane to our industries. His enthusiasm and preparation is greatly appreciated", "FANTASTIC!! Two of the best days of instruction I've ever had" "Wonderful! I took so many notes, I hope I can implement even a few ideas!", "Very helpful class", "He touched my heart and soul! I will be a better person and instructor!!", "Len is one of the Best Instructors I have ever had – Fantastic", "Len was amazing… very useful info on Power Point presentations and presenting in general", "Loved it- Thanks!", "Fabulous workshop – I loved learning the 'behind the scene things to do to have a great class", "Excellent again."

"Best Instructor Utah IDW has brought us in the last decade. Relatable, entertaining & useful material", "Definitely the BEST COURSE I have attended since being licensed in 1976", "What a GEM", "By far the 'BEST' Class I have taken so many great points… I could only hope to deliver my classes ½ as well…", "Thank you for reminding us how important our jobs as instructors are!", "Truly wonderful educational experience. I learned a lot about teaching adults, building better class presentations & flexibility in teaching", "Obviously a very talented and passionate teacher", "He Is Amazing", "Len is phenomenal!", "Outstanding", "Len is so very well prepared, and he presents in such a professional way…We will all do better, because of him", "Great explanation of how to teach and use visual aids and Power Point", "His audience matters…he gave us all 100%", "Words can't express the quality and knowledge Len has – He is by far the best instructor IDW has ever had", "Wonderful!", "Just Great", "Super", "Best Class Ever", "This is the BEST Instructor I have ever taken a class from", "I appreciated the real life applications and step-by-step applications to improve my product and professionalism", "Thanks for keeping things relevant and real", "Enjoyed learning the same information I know and hear over again in a different way. He encouraged me to 'up the ante" in my own classes!"

**SAVE THE DATE!**

2020 IDW

OCTOBER

Wed. 21

& Thurs. 22

SHERATON PARK CITY

# KAGIE'S KORNER

Dear Brokers….

When the Division presents a case to the Real Estate Commission for disciplinary action of a sales agent, whether in a stipulation or a hearing, often, a commissioner will ask, "What are we doing with the principal broker?" Commissioners have indicated that they would like to see more responsibility and accountability with the broker for violations by their affiliated licensees.

The statute and rules that pertain to broker supervision are:

> **§61-2f-401**. Grounds for disciplinary action.
>
> **(14)** in the case of a principal broker or a branch broker, failing to exercise reasonable supervision over the activities of the principal broker's or branch broker's licensed or unlicensed staff.
>
> **R162-2f-401c(1)** A principal broker shall:
>
> **(f)** exercise active supervision over the conduct of all licensees and unlicensed staff employed by or affiliated with the principal broker, whether acting as:
>
> (i) the principal broker for an entity; or
>
> (ii) a branch broker;

Principal and branch brokers:

- Are you knowledgeable regarding the statutes and rules?
- Are you keeping up with changes to statutes and rules?
- How are you educating your affiliated licensees and unlicensed staff on the requirements found in the statutes and rules?
- Are you available to your affiliated licensees for questions or to mediate client concerns?
- Do you have policies and procedures in place to ensure that your brokerage, including all affiliated licensees, is functioning within the requirements of the statutes and rules?

These are just some of the responsibilities of brokers. Protect yourself by educating yourself and your affiliated licensees and establishing and following policies and procedures for your brokerage. When agents call the Division about a situation, one of the first questions Division staff members ask is, "Have you spoken with your broker about this?" Almost always, the answer is no. Technically, in many cases, if a sales agent is in violation, the principal or branch broker could be as well.

Sometimes the Division receives calls that seem to indicate that brokers are referencing old statutes or rules that were renumbered in 2010. If you haven't reviewed a copy of statutes and rules since 2010 or later, you might want to review them again. You may find the statutes and rules on the Division's website.

Statutes and rules are changing every year, stay current!