

**Office of Professional Regulation**  
**Real Estate Commission**  
Corner of State and Main in the City Center  
89 Main Street  
3<sup>rd</sup> Floor  
Montpelier, VT 05602

**Minutes**  
**April 23, 2015 – 9:15 AM**

**Commission Members and Staff Present:** Donna Murray, Claire Porter, Gloria Rice, David Raphael, Joyce Cameron, Gabriel Gilman and Judith Griffen. **Member absent:** Wendy Beach **Public Members Present:** Dennis Brown, Randy Mayhew, Helen Hossley, Kathy Sweeten, Marlene McCarty, Elizabeth Merrill, Teresa Merelman, Annemarie Daniels and Betty McEnaney.

**1. 8:30 Education Committee**

**2. 9:16 Commission Meeting**

Commissioner Raphael announced that Maretta Hostettler was recognized by the Northwestern Vermont Board of Realtors with the 2015 Distinguished Service Award. There will be a dinner on May 19th and he asked anyone who was interested in attending to let him know.

**3. Approved March, 26, 2015 Minutes**

**4. Case Manager's Report**

There are sixty-six (66) open cases at this time. Nine (9) are pending I-Team meetings, three (3) are on hold, nine (9) are under investigation, twenty-seven (27) are pending charges and eighteen (18) are pending closing reports.

Number of Active Licensees as of April 15, 2015

|                                   |      |
|-----------------------------------|------|
| Brokers:                          | 1025 |
| Salespersons:                     | 1065 |
| Brokerage Firms - Main Offices:   | 555  |
| Brokerage Firms - Branch Offices: | 79   |

It was reported that Commissioners Murray and Beach met with Carla Preston and the Chief Prosecutor to review the I-Team process and assign initial cases.

**5. Welcome and Introductions with Beth Jarvis, Prosecuting Attorney**

The Commission welcomed the State's new prosecuting attorney, Beth Jarvis. Beth provided the Commission with a brief background of her past experience and said she was looking forward to working with all the members. A couple of Commissioners noted that they have already had I-Team meeting with Beth and look forward to ongoing work with her.

**6. Closing Reports**

- a. 2014- 567, 2014-568 – approved
- b. 2013-145, 2013-146, 2013-147, 2013-148 – approved

## 7. **Old Business:**

### a. Agency Workgroup update

The Commission was provided with the Draft Administrative Rules in early April.

### b. Inspectors and sign/advertising violations

Inspector Merrill updated the Commission on the responses received to the letters she sent out for sign violations, which have been mostly positive. A couple of brokerages need to be reminded to respond in writing. She has begun to send out a couple of advertising letters. A brief discussion took place surrounding the process which transitioned into a discussion about Rule 4.12 Advertising. Some brokerage firms are challenging the rule, claiming that their ads are in fact in compliance. The Commission agreed that there exists confusion about team names and advertising. Annemarie Daniels asked if there were complaints being filed. She also wanted to request that while she understands the current sign violation process is in a pilot, she hopes the Commission intends to implement the program consistently across the state. Staff responded that calls come into the office with regularity expressing confusion and concern over teams and the public's inability to find teams through the license lookup. Randy Mayhew expressed that the way he teaches Rule 4.12 is that he words "most prominent and largest identifier" are a two prong test for compliance because of the word "and." The Commission agreed to discuss this further under new business and the draft administrative rules. It was noted that future revisions to the inspection form might consider review of a brokerage firm's advertising and social media.

### c. Disciplinary process update

Attorney Gilman noted that some language has been added to this year's OPR bill to clarify parts of the process.

### d. 2015 Calendar, Initiatives, and Priorities

1 - Agency and the Mandatory Consumer Information Disclosure - completing the draft Administrative Rules

The Commission was informed that a report from the workgroup would follow.

2 - Education Process - completing policy and moving to a contracted position for review

The Education Committee noted that it would be working on policies in the coming months.

3 - Inspection Program - focus on "notice of violation" process

An update was provided earlier in the meeting.

### e. Consumer Information Disclosure Workgroup report

Commissioner Murray provided an update on the Workgroup's progress and handed out summary notes from an e-mail group discussion, conference call, and the solicited input from a couple of other public members. The resulting work identified the following conclusions regarding the consumer disclosure and that it should be:

- Consistent and concise message to consumers

- Placed to attract consumer attention

- Placed on media

- Considered if the paper disclosure could be elective

The Commission reviewed a draft sample of an e-mail disclosure which was encouraged to be above the signature line and very short and concise. The Commission agreed that a larger discussion was required and wanted this work to continue with the Agency Workgroup's efforts.

## 8. **New Business:**

### a. ARELLO 2015 Mid-Year Meeting update

Commissioner Raphael reported that he attended the ARELLO mid-year meeting last week and that the sessions were very informative. He reported that the FAA has published rules for the commercial use of drones, which will affect licensees. He also noted that the new settlement rules governing transactions that involve lenders will go into effect for loans processed after August 1st. He noted that many states are reviewing their purchase and sale contracts and contingencies around closing dates due to the mandatory date resets that can be triggered by changes to the settlement documents.

#### b. Discussion on DRAFT Administrative Rules

The Commission discussed the draft before them. Commissioner Porter noted a couple of couple of technical typographical issues that all agreed would be changed. The Commission reopened the discussion on Rule 4.12 Advertising. Proposed language was discussed that would offer either the option of prohibiting any team advertising or adding in language that requires the brokerage firm's registered name to be at the top of the ad. Also proposed was adding in the word "significantly" before "larger than." While several Commissioners were in favor of simply prohibiting teams, it was concluded that the rule on advertising as it exists is extremely clear and that licensees are attempting to get as close to the line as possible, resulting in many crossing it. The Commission agreed that letting the enforcement process address the issues would be more appropriate than changing the language.

Attorney Gilman presented a timeline based on his commitment to have the official mark-up version of the rules ready for the Commission's May 28th meeting. The Commission would vote to then move the rules into the APA process with a public hearing scheduled as soon as allowed. The Commission agreed that addressing the consumer information disclosure should be part of the changes.

There was a brief discussion about testing provider AMP's request to send a Commissioner to their May advisory group meeting to discuss subject matter content for the national exam.

### **9. Public Comment**

### **10. Adjournment**

#### **Next Scheduled Meeting – May 28, 2015**

The "Agency Workgroup" will hold its meeting on April 23, 2015 following the full Commission meeting.

## Real Estate Education Committee

### Courses for review

| Provider/Title   | Requested<br># of<br>Hours | Renewal? | Approved<br>or Denied | Approved<br># of<br>Hours | Post<br>licensure<br>2- hours | Comments                |
|--|----------------------------|----------|-----------------------|---------------------------|-------------------------------|-------------------------|
| <b>The CE Shop</b>   |                            |          |                       |                           |                               |                         |
| 1. Residential Property Management Essentials                                | 4                          | No       | Approved              | 2                         |                               | Approved for less hours |
| 2. Uncle Sam Has Homes For Sale: Listing & Selling HUD Homes                 | 3                          | No       | Approved              | 3                         |                               |                         |
| 3. Sign Here: Contract Law of E-Signatures                                   | 2                          | No       | Approved              | 2                         | Yes                           |                         |
| 4. Personal Safety   | 3                          | No       | Approved              | 2                         |                               | Approved for less hours |
| 5. Hot Market Strategies   |                            |          | Approved              | 2                         | Yes                           |                         |
| 6. Fundamentals of Commercial Real Estate                                    |                            |          | Approved              | 2                         | Yes                           |                         |
| <b>International Right of Way Association</b>                                |                            |          |                       |                           |                               |                         |
| 7. Non-Residential Relocation Assistance, IRWA Course 502                    | 16                         | No       | Approved              | 2                         |                               | Approved for less hours |
| 8. Residential Relocation Assistance, IRWA Course 501                        | 16                         | No       | Approved              | 2                         |                               | Approved for less hours |
| <b>First American Title Company</b>  |                            |          |                       |                           |                               |                         |
| 9. Integrated Mortgage Disclosure Basics for Real Estate Professionals.      | 2                          | No       | Approved              | 2                         | Yes                           |                         |
| <b>McKissock</b>   |                            |          |                       |                           |                               |                         |
| 10. The Power of Exchange: Discover the Value of 1031 Tax Deferred Exchanges | 2                          | Yes      | Approved              | 2                         |                               |                         |
| 11. A Day in the Life of a Buyer Agent                                       | 2                          | Yes      | Approved              | 2                         | Yes                           |                         |
| <b>Cramer Home Inspection Group</b>  |                            |          |                       |                           |                               |                         |
| 12. Understanding the Home Inspection Process                                | 2                          | Yes      | Approved              | 2                         | Yes                           |                         |
| <b>OnCourse Learning Corp. dba Career Webschool.</b>                         |                            |          |                       |                           |                               |                         |
| 13. Tax Free Exchanges   | 3                          | Yes      | Denied                | 0                         |                               | Content not available   |
| 14. Real Estate Math   | 3                          | Yes      | Approved              | 2                         | Yes                           | Approved for less hours |
| 15. ADA and Fair Housing   | 3                          | Yes      | Approved              | 3                         | Yes                           |                         |
| 16. Environmental Hazards Disclosure   | 3                          | No       | Approved              | 2                         | Yes                           | Approved for less hours |
| 17. Federal Law and Commercial Real Estate                                   | 4                          | Yes      | Denied                | 0                         |                               | Content not available   |
| 18. Ethics in Real Estate  | 4                          | Yes      | Approved              | 4                         | Yes                           |                         |
| 19. Prequalifying Your Buyer in Today's Market                               | 3                          | Yes      | Approved              | 3                         | Yes                           |                         |

|  |   |     |          |   |     |  |
|--|---|-----|----------|---|-----|--|
| 20. Pricing Property to Sell                                 | 4 | Yes | Approved | 4 | Yes |  |
| 21. Principles of Commercial Real Estate                     | 2 | Yes | Approved | 2 | Yes |  |
| <b>Vermont Realtors</b>                                      |   |     |          |   |     |  |
| 22. Identify & Manage Liability in a Real Estate Transaction | 3 | No  | Approved | 3 |     |  |
| <b>Vermont Natural Resources Council</b>                     |   |     |          |   |     |  |
| 23. A New Way of Seeing the Landscape                        | 4 | Yes | Approved | 4 |     |  |
|  |   |     |          |   |     |  |
|  |   |     |          |   |     |  |
|  |   |     |          |   |     |  |

**Education providers must remove references to the word “Realtor” and replace with either licensee or real estate agent.**