

**STATE OF ALASKA  
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT  
DIVISION OF OCCUPATIONAL LICENSING  
REAL ESTATE COMMISSION**

**MINUTES OF MEETING  
AUGUST 8 & 9, 2005**

**“These draft minutes were prepared by the staff of the Division of Occupational Licensing. They have not been reviewed or approved by the Board.”** Authority of AS 08.01.070(2), and in compliance By authority of AS 08.01.070(2), and in compliance with the provisions of AS 44.62, Article 6, a scheduled meeting of the Real Estate Commission was held August 8 & 9, 2005, at the Atwood Building, Ste # 1270 & Ste 1500, Anchorage, Alaska.

**Monday, August 8, 2005**

**Call to Order**

Chairperson Barbara Ramsey called the meeting to order at 10:05 a.m.

**Roll Call**

Members Present:

Roger Stone, Broker, 1<sup>st</sup> Judicial District  
Barbara Ramsey, Associate Broker, 3<sup>rd</sup> Judicial District  
Rita Wilson, Broker at Large  
David B. Somers, Broker at Large  
Gene DuVal, Associate Broker, 4<sup>th</sup> Judicial District  
Bradley Fluetsch, Public Member

Staff Present:

Sharon Walsh, Executive Administrator  
Nancy Harris, Licensing Examiner  
Teresa Thacker, Publication Specialist  
Dave Brower, Assistant Attorney General, via teleconference  
Jun Maiquis, Regulations Specialist, via teleconference

Public members present:

Bill Mehner, Associate Broker, Prudential Jack White/Vista Real Estate  
Jerry Royse, Broker, Royse and Associates

Ms. Ramsey said that the one item on the agenda was that the meeting would be recess at 3:15 p.m. so that the Commission members could have the opportunity to attend the memorial today for Mary Dee Fox.

Ms. Ramsey runs through a brief overview with Commission members on what needs to be covered in their meetings today and tomorrow. Ms. Ramsey also states a mission statement to help the Commission members with focus and direction. “The intent of post-licensing education is to enable a new licensee to gain the hands-on knowledge to practice real estate in accordance with license law and in a manner that the public interest is protected by assuring the competency of the licensee.”

### **Persons to be Heard**

There were no persons to be heard, however the Chairperson Barbara Ramsey said she would allow any one who should come to the meeting at a later time and allow them to be speak to the Board.

### **License Language**

Commission members discuss the language that staff will be required to put on the license certificates regarding post- licensing requirements.

Brad Fluetsch arrives to the meeting at 10:22 am due to plane schedule.

**On a motion by Somers, seconded by DuVal, and passed unanimously, it was**

**RESOLVED for this language on the license itself: “This license is subject to the licensee’s completion of post-licensing education requirements within one year after the date of the initial issuance of this license according to Sec 08.88.095(b).”**

**All members in favor; Motion passes.**

### **Fees**

Commission members discuss the fee that will be charged for the amended license once a licensee completes their post-licensing education.

**On a motion by Somers, seconded by Wilson, and passed unanimously, it was**

**RESOLVED to adopt \$25.00 fee when the licensee changes from initial license.**

**All members in favor; Motion passes.**

### **Forms**

Commission members discuss the details of the form that licensees will be required to turn in to the Real Estate Commission to show completion of their post-licensing education.

**On a motion by Fluetsch, seconded by Somers, and passed unanimously, it was**

**RESOLVED to name the form Post Licensing Education Certification.**

**All members in favor; Motion passes.**

**On a motion by Wilson, seconded by Somers, and passed unanimously, it was**

**RESOLVED to change the certificate with the header to read: Post Licensing Education Certification, will change first bullet to, “your license will lapse” unless you have met the continued competency requirements in AS 08.88.095, combine the fourth bullet and in the third bullet, You must pay, “\$25.00” fee for “your new license” pursuant to “ AS 08.88.095 and 12 AAC 02.360” and repeat that in the last check box, I have included the “\$25.00” fee pursuant to those two same statutes.**

**All members in favor; Motion passes.**

### **Content of PLE**

The Commission members discuss the way the content of the courses that will be created for post-licensing education will be approved.

**On a motion by Somers, seconded by Stone, and passed unanimously, it was**

**RESOLVED to adopt the same approval process as Education 12 AAC 64.400 – 470. Also noted in 12 AAC 64.063 (a)(1). Changing any note of “CE”(continuing education) to Post Licensing”**

**All members in favor; Motion passes.**

**On a motion by Somers, seconded by Fluetsch, it was**

**RESOLVED to adopt PLE (post licensing education) be administered with no more than 7 hours in a day.**

**5 members approve; 1 member opposed. Motion passes.**

Break at 11:33 a.m.  
Reconvened at 11:40 a.m.

### **License language**

**On a motion by Somers, seconded by Fluetsch, and passed unanimously, it was**

**RESOLVED to reconsider the motion providing language on the license and adopt the language from the initial motion and add (c) to the end.**

**All members in favor; Motion passes.**

Jerry Royse, a broker in the state of Alaska, introduces himself to the Commission members and speaks about the challenges with unlicensed lending entities facing the licensees in the future and also his recommendations for post licensing education.

Ms. Ramsey reminds Mr. Royse that this meeting is only to cover post licensing education and that he would need to get the subject of post licensing topic.

Mr. Royse indicates that on the packet of information to the Commission members show the topics and hours he recommends for post licensing education on the last four pages and then give a quick overview of his thoughts on those recommendations.

### **Post Licensing Topics**

Commission members begin to discuss what post licensing education topics and subjects will be required for new licensees to complete. They first discuss education topics and subjects for new licensee post licensing education.

### **Lunch Break**

Recess at 12:11 p.m.  
Reconvened at 12:26 p.m.

Commission members continue to discuss topics and subjects for post licensing education requirements. They have completed the discussion in the topics of Contracts and Agreements (Module 1), Property Management (Module 2), License Law, Paperwork and Risk Management, Evaluating Pricing and Marketing.

Break at 2:10 p.m.  
Reconvene at 2:15 p.m.

Commission members continue to discuss topics and subjects for post licensing education requirements for new salesperson licensees. They complete the discussion in the topic of Financing to Closing, which also concludes the topics and subjects for new salesperson

licensees. The Commission members begin their discussion for the topics and subjects for the post licensing education for new associate brokers and brokers. They complete their discussion regarding topic and subject areas Surety Fund, Trust Account & General Accounts and Risk in Real Estate Office Management and Practical Office Management.

Recess at 3:16 p.m. until tomorrow at 8:30 a.m. in suite 1500.

**Tuesday, August 9, 2005**

**Call to Order**

Chairperson Barbara Ramsey called the meeting to order at 8:35 a.m.

**Roll Call**

Members Present:

Bradley Fluetsch, Public Member  
Gene DuVal, Associate Broker, 4<sup>th</sup> Judicial District  
David B. Somers, Broker at Large  
Rita Wilson, Broker at Large  
Roger Stone, Broker, 1<sup>st</sup> Judicial District  
Barbara Ramsey, Associate Broker, 3<sup>rd</sup> Judicial District

Staff Present:

Sharon Walsh, Executive Administrator  
Nancy Harris, Licensing Examiner

No public members present

Ms. Ramsey gives a review to the Commission members of what they have completed the previous day and they continue to discuss the topics and subjects that will be required for post licensing education. They complete their discussion on the topics Practical Office Management and Practical Supervision. The Commission members finish setting the topics and hours for each topic. They began to discuss PLE credits and if they will allow PLE credits to be used for CE credits as well. They also discuss definitions, delivery methods, and exams.

Break at 10:20 a.m.

Reconvene at 10:34 p.m.

Ms. Ramsey asks the Commission members if there is anything else within other two outlines that they would like to reconsider or take a look at? Mr. Fluetsch said that Mr. Royse's effort and contributions were good in that they helped him understand the

organization of how this whole thing of post licensing education worked. Ms. Wilson reiterates Mr. Fluetsch's comments.

Mr. Somers asks to address the Commission on an education related topic. He asks staff for an update of the education committee. Ms. Ramsey makes it clear that this meeting is strictly for the purpose of writing regulations for post licensing education and what they have done and no other topics and be addressed at this time.

**On a motion by Somers, seconded by Stone, and passed unanimously, it was**

**RESOLVED the REC creation of an advisory group comprised of no less than 6 people and no more than 10 people, chaired by PeggyAnn McConnochie, (or staff can choose another person), to meet no less than one time prior to 09/22/05 to get advice on PLE proposal.**

**All members in favor; Motion passes.**

Mr. Somers speaks to his motion. He said that they, the Commission, are not educators and with the time frame and restrictions that they are under he is concerned that they may have made mistakes and he said there are other people who deal with education on a daily basis that he would like to get their input on these proposals before it goes out for public comment. He believes that this group has the authority to chair a meeting or oversee a meeting and the authority to fund those for educational purposes according to AS 08.88.091(a) and AS 08.88.450(a).

The Commission members discuss the motion on the table. They do agree that they would like to have input from a advisory group on their recommendations but with the time frame and the restrictions in front of them there may be some difficulty to accomplish this before it goes out for public comment. The Commission continues to discuss if they have the authority to create an ad-hoc advisory group and if real estate surety funds can be used to pay for the expenses of this group.

**All members in favor; Motion passes.**

Break at 12:19 p.m.

Reconvene at 12:26 p.m.

**On a motion by Somers, seconded by Wilson, and passed unanimously, it was**

**RESOLVED to create regulations that modules may be spread out over time by the same instructor with not less than one credit hour per session. Students must sign in for each credit hour and attend to obtain credit. Missing a section, the student would not receive any credit for the entire module.**

All members in favor; Motion passes.

On a motion by Somers, seconded by Wilson, and passed unanimously, it was

**RESOLVED to adopt PLE with topics of:**

**NEW LICENSEE**

**Contracts and Agreements:**

**Module 1- Purchase and Sale Agreements – (5 hours)**

Addendum

Counter

Contingency

Multiple offers

Back up offers

Essential differences between

Residential / Land /Commercial

**Module 2 – Property Management- (3 hours)**

Landlord Tenant Act

Management agreement

Rental/Lease/Occupancy

Residential

Commercial

Associations

Co-Ops

Personal Service Agreements

Listing

Buyer

Property Management

**Licensee Law (2 hours) –**

Consumer Pamphlet & Waiver

Ethics

Surety Fund issues

Confidentiality

Conflict of Interest

**Paperwork & Risk Management (4 hours) –**

Property Disclosure (mandatory & area specific)

Issues to be aware of:

Environmental Issues /Zoning / CCR

Title Reports

Associations / Resale Certificates / Public Offering Statement

Home Inspections / Repair Negotiations

Surveys

## **Record Keeping**

### **Evaluating, Pricing & Marketing (3 hours) –**

**Competitive Market Analysis & Appraisals**

**Showing property**

**Importance of a marketing plan**

### **Financing to closing (3 hours) –**

**The importance and/or differences of:**

**Pre-approval letters / pre-qualifications**

**Good Faith Estimates**

**Loan types (to include internet lending programs)**

**Review of HUD Settlement Statement**

**Seller Net Proceeds**

**Other Settlement Statements**

**Variations in loan costs**

**Closing process**

**Good Funds Law**

**Security Deposit Statements**

## **NEW BROKERS/ASSOCIATE BROKERS**

### **Surety Fund, Trust Account & General Accounts (4 hours) –**

**Surety Fund Issues**

**Case studies**

**Misrepresentation**

**Conversion of Trust Fund**

**Fraud**

**Deceit**

**Trust accounts**

**Different types**

**How to set up**

**How to manage a trust account**

**General Accounts**

**Risk Management**

### **Practical Office Management (6 hours) –**

**Setting up an office (including but not limited):**

**Types of ownership**

**Office procedures**

**Checklists**

**Office policy (general)**

**File Review and Management**

**Existing / Previous**

**Complying with State Requirements**

**Licensee relationships manual**  
**Stress on class discussion and participation**  
**Importance of (including but not limited):**  
**Keeping current with regulations and statute changes**  
**Fair housing & diversity issues**  
**Employment contracts with licensee**  
**How to handle complaints**  
**Risk Management & Legal Liability**  
**E&O insurance**

**Practical Supervision (6 hour) –**  
**Broker Responsibilities**  
**State Requirements**  
**Office policy & procedure manual (in-depth)**  
**Communication**  
**Transaction Management**  
**Final file Review**  
**Licensee Safety**

**Disclosures (including but not limited to)**  
**License relationship**  
**Consumer pamphlet & waiver**  
**Property**  
**When buying or selling for your/their own account**  
**Strategic alliances/Business relationships - comply with the law**

**Risk Management (4 hours) –**  
**Case studies (including but not limited):**  
**Supervision Failure**  
**Complaints**  
**Licensee relationships**  
**Confidentiality issues**  
**Conflict of interest**  
**Stress on class discussion and participation**

**All members in favor; Motion passes.**

**On a motion by Somers, seconded by Stone, and passed unanimously, it was**

**RESOLVED to create regulations with these three points,**

**1) NO double dipping allowed for courses. The INTENT. Licensee may take class twice to fulfill a PLE requirement and for CE. Cannot take one class and use it twice. Instructor may issue one certificate per licensee per class session, for either PLE or CE, but not both.**

**2) Separate designations between PLE and CE courses**

**3) A course approved for PLE will automatically qualify for CE in the approved subject areas at no additional fee to the sponsor.**

**All members in favor; Motion passes.**

Two mail ballot were sent out to all Commission members on August 23, 2005 to address the reconsideration of a motion made at the August 9, 2005 meeting and approve a new motion regarding PLE and CE requirements. The motion for reconsideration reads: **“NO double dipping allowed for courses. Licensee may take class twice to fulfill a PLE requirement and for CE. Cannot take one class and use it twice. Instructor may issue one certificate per licensee per class session, for either PLE or CE, but not both.**

The fact addressed on the first mail ballot was that under AS 08.88.095 “Educational requirements after initial license. (a) In addition to the continuing educational requirements of AS 08.88.091(d), within one year after the date that the Commission issues an initial license under this chapter, the licensee shall complete 20 hours of education approved by the Commission under AS 08.88.091.”

**There was a motion to reconsider the motion cited above.**

**All members accepted the mail ballot. None opposed. The motion passed.**

The second mail ballot indicated the changes to the motion with the new motion to read: **“The PLE course may not be taken twice to meet the PLE requirements and CE requirements. Only renewing licensees (who have held a real estate license for more than 12 months) may receive elective CE credit for taking PLE courses.”**

**All members accepted the mail ballot. None opposed. The motion passed.**

**On a motion by Stone, seconded by Fluetsch, and passed unanimously, it was**

**RESOLVED to create a definition to amend 12 AAC 64.430- definition of correspondence course - as any class that an instructor is not physically present regardless of delivery method.**

**All members in favor; Motion passes.**

**On a motion by Somers, seconded by Stone, and passed unanimously, it was**

**RESOLVED to allow for limited public comment on the PLE at the 09/22/05 meeting.**

**All members in favor; Motion passes.**

**On a motion by Somers, seconded by DuVal, and passed unanimously, it was**

**RESOLVED to reconsider a previous motion regarding the specific language on the license to read: “This license is subject to the licensee’s completion of post-licensing education requirements within one year after the date of the initial issuance of this license according to Sec 08.88.095 (b)(c).**

**Post-Licensing Education must be completed by \_\_\_\_\_ (date 12 months).**

**This license lapses after \_\_\_\_\_ (date 13 months).”**

**All members in favor; Motion passes.**

**On a motion made by Somers, seconded by Stone, and passed unanimously, it was**

**RESOVLED to adjourn the meeting.**

Meeting adjourned at 1:07 p.m.

Prepared and submitted by Division Staff.

Approved:

\_\_\_\_\_  
Barbara Ramsey, Chairperson  
Real Estate Commission

Date: \_\_\_\_\_