



ADRE Welcomes Three New Directors



The winds of change are blowing. Three new directors have joined the Arizona Department of Real Estate: Todd Madeksza as Director of Licensing and Education, Amy Bjelland as Director of Administrative Actions, and Blythe McLaughlin as Director of Investigations.

For the last three years, Todd worked for the Arizona State Senate and has extensive policy and research experience. Todd completed course work for his PhD in Public Policy and also has a Master's degree in Public Administration.

For the past two years, Amy worked for the Arizona State House of Representatives. Amy has a Juris Doctor degree from the Arizona State University and a Bachelor's degree from the University of Arizona.

Amy has had widespread administrative actions experience. She also has a history of working with constituents at both the state and federal levels. Amy is a member of the Arizona State Bar.

An Arizona transplant, Blythe worked for ten years as a state regulator in Vermont. She is highly qualified in the areas of securities, investigations, licensing, and business audits. Blythe has a Bachelor's degree from Bryn Mawr University and a Master of Business Administration from Simmons College in Boston.

Blythe replaces Cindy Ferrin, who was promoted to organize the newly created Consumer Assistance Team. The Arizona Department of Real Estate is thrilled to welcome the new staff members! 

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Our Mission

The purpose of the Department is to protect the public interest through licensure and regulation of the real estate profession in the State of Arizona.

ADRE Reinforces Education Waiver Requirements

By Todd Madeksza, Director of Education and Licensing

The Arizona Department of Real Estate's (ADRE) Commissioner's Rules provide for the issuance of a variety of waivers upon written request to the Commissioner, with evidence of good cause. Two of the most popular requests received by ADRE are: a conditional waiver for additional time to complete the requisite professional continuing education courses for license renewal; and a waiver of pre-licensure education requirements for those seeking to take Exporior's Arizona real estate licensing exam. Solid professional education is a requirement for license renewal and one of the strongest methods ADRE has to ensure that it can fulfill its duty to protect the public interest.

The Department of Real Estate will reinforce statutory minimum standards when reviewing waiver requests of all kinds. While the Commissioner will still consider all requests for waivers, only those licensees providing strong factual evidence of good cause in written format are eligible for an approval.

The Commissioner will only consider granting waivers for *continuing education* when licensees have shown a good faith effort during the previous two-year license period to meet the continuing education requirement. Compelling evidence must also be provided as to why the credits were not attained by the renewal date.

For waiver requests regarding *pre-licensure education* requirements, the Commissioner will consider cases where the applicant's previous real estate education has occurred within the preceding ten years.

Continuing Education (CE) Course Waivers

Licensees across the state are familiar with the

requirement to fulfill 24 hours of continuing education for license renewal. When a waiver is granted, a prescribed time frame is established for the applicant to complete the remaining CE hours.

If there is insufficient cause, or no evidence that the licensee responsibly attempted to accumulate *some* portion of the requisite hours, the licensee's current license will expire. After expiration, the licensee is not licensed to work as a salesperson or broker and must complete the continuing education requirements and file for renewal within one year of the expiration date to be eligible for renewal.

Pre-Licensure Education Waivers

Pre-licensure waivers may excuse the candidate from taking specific pre-licensure real estate classes in consideration of previous education. Waivers may be requested for the following: consideration of hours from an accredited college or university, out-of-state real estate courses that meet Arizona statutory requirements, or an individual with a former Arizona real estate license.

In each case, supporting documentation is required. All requests for waivers must be in writing and require a detailed resume outlining the last ten years of the applicant's work history. Some waiver requests will also require certified copies or forms of original evidence. The applicant will be responsible for collecting this information and providing it to the Department.

In conclusion, waivers were created to help applicants facing uncommon situations – not for licensees indulging in simple procrastination. For more information about waivers, please contact the Licensing and Education Division at (602) 468-1414, ext. 100. ☐

DO YOU HAVE TELEPHONE BLUES?

The last time you called the Department did you get "stuck" talking to someone's voice mail? This may be due to an increase in incoming telephone calls. For fiscal year 2003, ADRE's telephone system received 219,700 phone calls. This averages out to 105.6 per hour or approximately 1.8 calls per minute!

The 219,700 calls represents a 26% increase in calls received from fiscal year 2002. The increase in calls and shortages in staffing have made our callers more likely to get a recording rather than a live person. Rest assured, staff are equally happy to help voice mail or live callers.

The Department is working on updating our phone system and alleviating the problem. In the meantime, we appreciate your patience! ☐

Commissioner's Corner

By Commissioner Elaine Richardson



At 6:00 a.m. Sunday morning, I was happily riding my bicycle with a friend. I felt I had all the safety precautions in place -- helmet, gloves, sturdy hybrid bike, riding a county-maintained bike path around the Santa Cruz River. I was enjoying the coolness of a Tucson morning, reveling in that semi-euphoric state, when all of a sudden, I hit an unexpected obstacle and was hurled into the air. I landed on my face on the asphalt pavement, in sad need of emergency care and repair.

While spending the next four hours in the emergency room at the hospital, I had time to think. Of course, work related issues are usually front and center, particularly now that the important Stakeholders' Meetings are ongoing. It made me realize how complacent we can become with our surroundings and often don't see our own obstacles and pitfalls, continuing with the status quo until we have a big crash. I feel we in the real estate industry are stars in our economic landscape. I am extremely proud to be part of this industry. I also feel each of you that are involved in making life more efficient, safe, professional and prosperous for our clients should take extra credit for going that added mile. I have heard almost zero complaints about anyone traveling too far, wasting time or incurring expenses relating to their participation in the meetings.

Our most recent portion of our statewide outreach tour included Green Valley, Rio Rico and Sierra

Vista. Licensees there were extremely responsive and many wanted to become involved with our committees. The general feeling seemed to be consistent that most viewed this as a unique opportunity to have input into how the Department relates to industry's needs.

As an update, I have asked for and received an interim report from most of the committees. Each is progressing very well. Committee members have, in my opinion, gone above and beyond what could be expected of them, vacations and other time commitments notwithstanding. Some committees have broken further into sub-committees since there are so many issues to be addressed.

With the progressive attitude of the Stakeholder members, I know you will all do better than I did last weekend and will land on your feet instead of your face (*not like me.*) @

List of 10 Stakeholders' Committees

- Subdivision Rewrite
- Cemetery Statute and Salesperson License Requirement Review
- Timeshare/Condominium Laws Review
- Property Management / Trust Accounts / Use of Security Deposits
- Virtual Office Websites / Internet / Advertising
- Department Rules Rewrite
- Illegal License Activity
- Business Brokers' Licensing
- Suggested Fee Review
- Increasing Professionalism

A NOTE ABOUT GUEST COLUMN ARTICLES...

GUEST COLUMN ARTICLES DO NOT NECESSARILY REFLECT THE POLICIES OR INTERPRETATIONS OF LAW BY THE ARIZONA DEPARTMENT OF REAL ESTATE. THEY ARE MEANT TO INFORM THE PUBLIC AND PROVIDE VARIETY TO ADRE'S BULLETIN. ALL ARTICLES ARE EDITED FOR SPACE LIMITATIONS.

Special Licensing for Business Brokers?

Guest Column By Brian G. Harron, Associate Broker, "The Restaurant Brokers."

New Real Estate Commissioner Elaine Richardson was a business broker in her prior profession, serving Tucson and the surrounding areas. Now Commissioner Richardson has undertaken an extensive review of real estate rules and statutes and may be considering the possibility of special licensing for business brokers.

It is apparent that a certain minimum standard must be created. This will protect the public from overzealous licensees who lack a minimum level of experience, education and knowledge to adequately engage in the selling of a business and its personal property, when the vast majority of transactions *do* involve leasehold interests.

What might special licensing involve? Several options include requiring a specialized license that might be achieved by taking approved courses, which would be in addition to the regular real estate agent or broker licensing requirements, plus additional specialized education during the renewal period. Commissioner Richardson created a stakeholders' committee of business brokers to help review current licensing and education requirements and to make recommendations. This committee will consider whether or not the Arizona Department of Real Estate should sponsor legislation to either establish a business broker's license or create a requirement for recommended specialized courses.

Is there a problem that needs to be addressed? Is that why special licensing is necessary? Does ADRE get many complaints about business brokerage? The jury is still out on whether there really is a problem that needs to be addressed, and ADRE does *not* receive many complaints about business broker transactions.

Business brokerage is a relatively new field of

real estate practice. It requires skills, education and knowledge that most licensees who are engaged in either in residential or commercial real estate do not possess. Business brokerage requires special listing information, unique sales contracts, distinct escrow procedures, a considerable knowledge of business finance, familiarity with business valuation procedures, and an understanding of non-public/confidential real estate and personal property transactions. It is different and it is a specialty.

Changes in the licensing or education requirements of business brokers will be forthcoming. Maturity of this specialty all across the U.S. fosters prestige, visibility and the perceived need of the government to protect the public from the unknowing and/or the unscrupulous.

Many business brokers *do not* favor special licensing. Many favor extra, required, education-enhanced licensing, but not a specific additional license. It is important to set minimum, mandatory education requirements to practice "business brokerage" and to protect the public.

What might these classes be? Some schools offer specialized classes, and here are examples of some that are currently available:

- How to Buy or Sell a Business
- Business Broker Disclosure
- Business Valuation Procedures
- Business Brokerage Purchase Agreements
- Listing a Business for Sale
- ADA Impact on Business Sales
- Business Brokerage Escrow

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Geologic Hazards in Arizona — Are You on Solid Ground?

Guest Column By Larry Fellows, Director and State Geologist, Arizona Geological Survey.

Are you thinking about selling a house or property? If so, do you know about the potential geologic hazards and other problems that you or your clients might have to cope with?

Arizona has a potential for damaging earthquakes, but fortunately the potential is not as great as it is in California, Nevada, or Utah. The Yuma and Flagstaff areas are the most likely to experience damaging earthquakes. At least one earthquake has been recorded in every Arizona county in the last 60 years.

In parts of Maricopa, Pinal, Pima, and Cochise counties, groundwater has been pumped faster than natural recharge could keep up with. Removal of groundwater caused particles in the aquifers to be compacted. The land surface subsided and large cracks called *earth fissures* formed. The land has subsided more than 15 feet since 1950 in one area between the Agua Fria River and the White Tank Mountains in the western Phoenix metropolitan area. A comparable amount of subsidence has taken place south of Eloy in Pinal County. Large earth fissures, commonly as many as 10 or more feet wide and 15 or more feet deep, are present in many areas. Development is or will be occurring in some subsiding areas.

Limestone crops out at the surface or is present within a few hundred feet of the surface in much of northern Arizona. Salt and gypsum are also present near the surface south of Winslow and Holbrook. Limestone, salt, and gypsum dissolve more easily than most other types of rock. When they dissolve, sink holes, caverns, springs, and related features form. These features can cause serious problems. Those who live in Coconino and southern Navajo and Apache

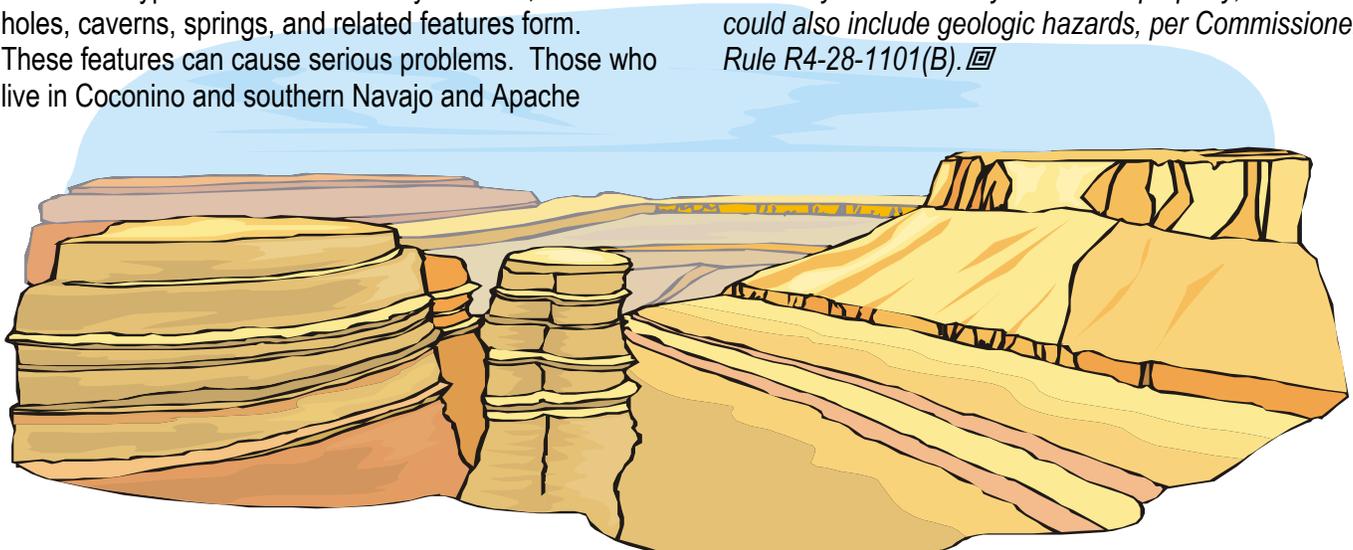
counties could experience problems related to the dissolution and collapse of rock.

It's always best to know about possible problems such as these *before* selling or building. That's an easy way to avoid a lot of grief and expense! The Arizona Geological Survey recently published a book, *A Home Buyer's Guide to Geologic Hazards in Arizona* that describes the most common types of geologic hazards and related problems in Arizona: flooding, earthquakes, problem soils, landslides, debris flows, subsidence and earth fissures, radon, and rock dissolution and collapse. In the book, which sells for \$8.95 plus shipping and handling, the authors describe the nature of the problem, general areas where the problem occurs, the types of damage that may be caused, and where one may obtain more information.

The Arizona Geological Survey is a state agency headquartered in Tucson. For an overview of the types of information available from the agency, check out the website at: www.azgs.az.gov. The website includes a section on "Geologic Hazards."

Editor's Note: For properties under the jurisdiction of ADRE, subdivision developers are required to disclose in the public report application any geologic or environmental conditions that would be detrimental to the purchaser's health, safety, or welfare per Commissioner's Rule R4-28-A1203 (6) and (7).

Also, licensees involved in a real estate transaction are required to disclose in writing to all parties involved, any information possessed which materially and adversely affects the property, which could also include geologic hazards, per Commissioner's Rule R4-28-1101(B). ☐



Special Licensing for Business Brokers? (continued ...)

(Continued from page 4)

- Procedures
- Rules & Regulations on Business Brokerage
- Financial Statement Analysis
- How to Start a Business

Business brokerage associations are doing an excellent job of educating members. Responsible business brokerage firms are doing the same, and there are renewal classes available. The Commissioner is

right—if you are going to engage in, or even occasionally dabble in, the buying or selling of a business, then get some education, join an association, be a professional, and protect the public!

Editor's Note: Mr. Harron is an officer of the Valley Board of Business Brokers, a member of Commissioner Richardson's Stakeholders' Committee on Business Brokers' Licensing and a member of the esteemed International Business Brokers Association. The committee will present their recommendations to Commissioner Richardson on October 3rd. @

The Homeowner's Insurance Crisis

By Guest Columnist K. Michelle Lind, General Counsel for the Arizona Association of Realtors®

The Problem

Homeowner's insurance is generally required for a buyer to obtain a loan and close escrow on a home purchase. Most loan documents require homeowners to maintain homeowner's insurance for the term of the loan. However, homeowner's insurance in Arizona, as in other states, is less available and more expensive than in years past. The Consumer Federation of America reports that homeowner's insurance rates in Arizona rose 13.25 percent in 2001 and 14.82 percent in 2002. Some homes may be virtually uninsurable.

The Cause

The insurance industry cites some of the following reasons for the increased cost and reduced availability of homeowner's insurance:

- Number of recent catastrophes,
- Mold claims,
- Stock market losses,
- Repair cost increases, and
- Past use of these policies as a "loss leader" to secure auto and other coverages.

People/ property most likely to be affected

Those most likely to be affected are:

- People who have made an insurance claim or claims inquiry in the last five years;
- People with adverse credit issues; and
- A home on which an insurance claim has been made, especially if the claim involved mold and conditions conducive to mold, such as water damage.



The Arizona Department of Insurance reports that in 2002, consumers reported difficulty in obtaining insurance for those dwellings that are: in unprotected areas, low-valued, old, high-priced, or those that have had any losses within the last three years. (Source: ADI Press Release, April 2, 2003).

Reports from the Comprehensive Loss Underwriting Exchange ("CLUE")

CLUE tracks both the person making an insurance claim and the property on which the claim was made. This repository of information purportedly contains 95 percent of all insurance claims or claim inquiries made in the United States for a five-year period. The report includes information on the cause of loss and the amount paid by the insurance company on the claim, if any. The report also contains personal information on the homeowner, such as the owner's social security number and date of birth.

Obtaining a claims history report

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Your Licensing Fees at Work!

By Ronald Passarelli, ADRE Deputy Commissioner

Have you ever wondered how your licensing fees are used? As a licensee of the Arizona Department of Real Estate, you have a right to know how your fees are being put to work. Sometimes as individuals, we forget how many others are involved in our profession. Here are some "Snapshot" statistics to give you a better understanding of the services provided at ADRE:

Licensing - Fiscal Year 2003

Incoming Telephone Calls	18,308
% of increase from previous year	26.41%
Walk-in Individuals Serviced	33,736
% of increase from previous year	15.44%
Licenses Renewed	20,325
% of increase from previous year	4.17%
Total Applications Reviewed	59,308
% of increase from previous year	11.90%

Professional Education - Fiscal Year 2003

Schools Certified	28
Courses Approved	921(Class room) 77(Distance Learning)
Instructors Approved	478

Subdivisions - Fiscal Year 2003

Applications Received	1,778
Avg. Processing Time of Public Reports	31.5 days

Investigations Division - Fiscal Year 2003

Number of Complaints Received	1,059
% of increase from previous year	49.1%

Administrative Actions - Fiscal Year 2003

Number of Cases Received	200
% of increase from previous year	16.96%

Documentation – Make Life Easier and Stay Out of Trouble!

By Guest Columnist Stanley F. Bronstein, Attorney and C.P.A.

Documentation is just one of many forms of communication. Throughout the years of my practice, I have run into 3 types of professionals: the first documents practically nothing, the second documents practically everything and the third type is somewhere in between.

Type 1 professionals are a nightmare to work with. They are lawsuits waiting to happen. All of their communication with other professionals and clients is verbal. Their method of communication places a larger burden on the recipient, as they must create their own documentation if they wish to remember what they were told. Also, the Type 1 professional doesn't have any written proof as to the substance of the communication. At best, not having written proof of communications leads to misunderstandings, wasted time, important matters "slipping through the cracks" and extra work. At worst, not having written proof leads to lawsuits, since the professional has no documentation.

Type 2 professionals are a dream to work with. Just about all of their communications are written. Any verbal communications are documented in writing. Their exchanges are often so detailed that the need for any subsequent verbal communication is totally eliminated. Type 2's often are able to get more work done, because they are more organized and all their information is at their fingertips. At worst, they have well documented files. At best, they do a better job for their clients, save their clients' money, make life easier and keep themselves out of trouble.

Type 3 professionals represent everybody else.

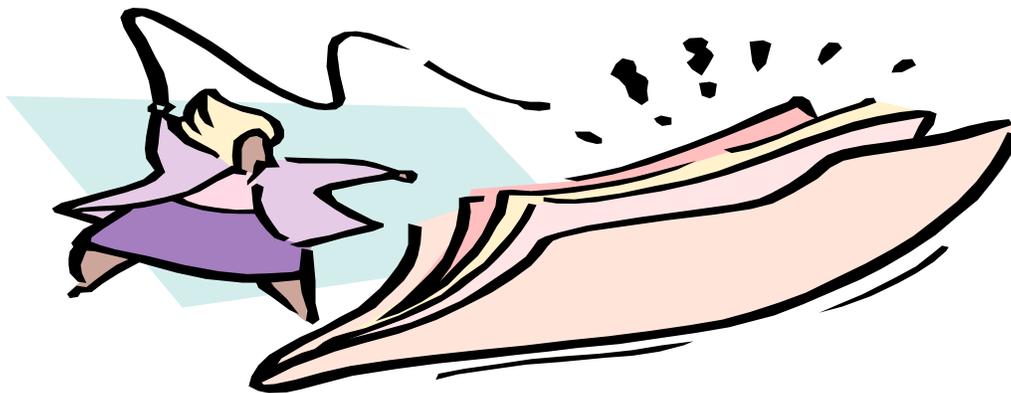
Many of their communications are documented and many are not. They take fairly good notes and are usually able to keep track of things that need to be done. They have pretty good systems, but every so often, they worry about whether something was missed. They are usually pleasant to work with, but things may sometimes get overlooked.

If you are a Type 2, you should congratulate yourself. If you feel you are a Type 3 or even worse, a Type 1, you should consider taking some of the following steps:

- 1) Always keep a notepad or PDA (personal digital assistant) with you.
- 2) Follow up all verbal conversations with a simple note to the file as to the substance of the conversation.
- 3) Follow up on all important conversations with a written letter, a fax or an e-mail.
- 4) Put copies of *all* correspondence and documents in your files.
- 5) Consider putting a computerized tracking system in place so that all of your notes will be indexed for easier information retrieval.

Remember – if you think you are too busy to set up a tracking system, you probably need one more than anyone!

Editor's Note: Mr. Bronstein is the author of audio CD "How To Avoid Being Sued As A Real Estate Broker," and may be emailed at: sfb@yourpurposeinlife.com. 



Administrative Actions

COMMISSIONER'S FINAL ORDERS

Appealable Agency Actions

Leighton P. Clark (Phoenix)

File No. 03A-006-REL, Order May 20, 2003
The Department denied Clark's application for real estate salesperson's license based on his 1996 disbarment as an attorney and 1991 misdemeanor conviction for DUI, in violation of A.R.S. § 32-2153 (B) (3), (7) and (10), which Clark appealed. After a hearing before an administrative law judge, Clark's license application is denied.

Jeremy J. Jack (Phoenix)

File No. 02A-171-REL, Order May 20, 2003
The Department denied Jack's application for renewal of his real estate salesperson's license based on his 2002 trespass conviction, for which he was on probation, in violation of the statutory provisions of A.R.S. § 32-2153 (B)(7). Jack appealed the denial and after a hearing before an administrative law judge, his application for license renewal is granted.

The Homeowner's Insurance Crisis (continued...)

(Continued from page 6)

A homeowner may be able to obtain a five-year claim history at no cost by simply requesting the report from their insurance agent. Homeowners may also purchase a CLUE report on their own property. Buyers may request a copy of the CLUE or claims history report from the seller, but do not have the right to order a report on a home they do not own.

The CLUE report is sold by a company called ChoicePoint and currently costs \$12.99. The report may be obtained by calling 866-527-2600 or online at www.choicetrust.com. Individuals may also obtain their personal insurance history from the same company.

Insurance cancellations after close of escrow

Some insurance companies that use information from CLUE or other insurance reporting agencies in their underwriting practices obtain a report only after a binder (contract for temporary insurance) is issued or after escrow has closed and the policy is to be issued. Thus, there have been numerous reports of homebuyers having their homeowner's insurance cancelled after



Edward M. Jim (Payson)

File No. 03A-019-REL, Order July 1, 2003; Rehearing denied July 30, 2003
The Department denied Jim's application for real estate salesperson's license based on a 2000 conviction for Aggravated Assault, a class 6 open-ended offense

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closing escrow on a home purchase.

An insurer can generally cancel a homeowner's insurance policy for any reason in the first sixty days after issuance. See ARS §20-1652. Once a policy is cancelled, the cost of replacement coverage can be two to three times higher than the original cost, depending on the reason for the cancellation.

Simply obtaining the CLUE report or claims history does not solve the problem

The underwriting practices of individual insurance companies vary, since not all insurance companies use CLUE reports on both the person and the property. The companies that do use CLUE or other claims history reports evaluate the information in different ways. Therefore, simply obtaining a copy of the report will not tell a buyer how an individual insurance company will evaluate the risk of insuring that particular buyer in that particular home.

To obtain additional information on homeowner's

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subsequently designated a misdemeanor; 1999 conviction for Extreme DUI, a class 1 misdemeanor; and a 1986 misdemeanor DUI conviction, in violation of A.R.S. § 32-2153 (B)(7) and (10), which Jim appealed. After a hearing before an administrative law judge, Jim's application is denied.

Benton Tom McMillan (Phoenix)

File No. 02A-164-REL, Order June 10, 2003

The Department denied McMillan's application for real estate salesperson's license based on his 1995 conviction for Child Abuse, a class 4 felony, in violation of A.R.S. § 32-2153 (B) (2), (7) and (10). McMillan appealed the denial and after a hearing before an administrative law judge, his application is denied.

SETTLEMENTS BY CONSENT ORDERS
Disciplinary Actions

Hobson L. Black (Flagstaff)

No. 03A-042, Consent Order July 8, 2003

Black filed a false and misleading application for licensure and violated statutory provisions including A.R.S. § 32-2153 (B)(1), and (A)(3), including A.A.C. R4-28-301 based on his 1983 conviction for Theft, 3rd Degree, and his failure to disclose the conviction on his application for licensure. Black's real estate salesperson's license is revoked.

Michael D. Caruso (Tempe)

No. 03A-049-REL, Consent Order July 29, 2003

The Department denied Caruso's application for real estate salesperson's license under A.R.S. § 32-2153 (B) (2) based on his 1997 felony conviction for Conspiracy to Possess with Intent to Distribute Marijuana. Caruso appealed the denial and is granted a 2-year provisional license, subject to specified terms.

Caleb Scott Whitehouse (Phoenix)

No. 03A-0780, Consent Order June 20, 2003

Whitehouse filed a false and misleading application for renewed licensure and violated statutory provisions, including A.R.S. § 32-2153 (B)(1), (A)(3) and A.A.C. R4-28-301 (F) based on his May 2001 convictions for Driving



Under the Influence and Endangerment, his failure to disclose these convictions on his application for license renewal, his March 21, 2003 conviction for Driving While Under the Influence of Intoxicating Liquor or Drugs, a class 4 felony, and his failure to report the 2003 conviction to the Department. Whitehouse's real estate salesperson's license is revoked.

John D. Whittle (Mesa)

No. 03A-004, Consent Order June 20, 2003

After being approved for a provisional license in April 2003, Whittle subsequently advised the Department that he was working in an another field, unrelated to real estate, and was unwilling to comply with the terms of the earlier consent order, in violation of A.R.S. § 32-2153 (A) (24) and (B)(9). Whittle's real estate salesperson's license is revoked.

Appealable Agency Actions

Mark A. Barroero (Oro Valley)

No. 02A-163-REL, Consent Order July 10, 2003

The Department denied Barroero's application for real estate salesperson's license based on violations of statutory provisions including A.R.S. § 32-2153 (B)(7) and (9) for disciplinary actions, including suspension and revocation, by the Arizona Registrar of Contractors against contractors' licenses for which Barroero was the owner and qualifying party, and the entry of adverse judgments that resulted in payment of claims chargeable against Barroero by the Registrar's Recovery Fund. Barroero appealed and is granted a 2-year provisional license as a real estate salesperson, subject to specified terms. ☐

Ask ADRE.....

The July 2003 issue of the Arizona Realtor® Digest had an article concerning brokers paying an agent after they have left the brokerage. You may wish to review the Department's Substantive Policy Statement number 14, that is available on ADRE's web site at: www.re.state.az.us. To clarify some of the concerns the Department received following the printing of the article, a broker is responsible for the payment of compensation directly to the licensee that rendered the service to the client for the brokerage, *as long as the licensee was actively licensed to that brokerage at the time the service was rendered.*

Also, the August 2003 Arizona Realtor® Digest has an article about the ability of a real estate agent being able to sell a mobile home. There is an exemption in ARS § 41-2178 (B) (1) for real estate agents to be able to sell an installed mobile home. However, there are strict rules and regulations that the licensee must follow to do so. The Department strongly suggests that all licensees contact the Department of Building and Fire Safety, Office of Manufactured Housing at (602) 364-1003 before dealing with the sale or transfer of a mobile home, manufactured home, factory-built building or subassemblies. Remember, when another regulatory agency takes disciplinary action against a licensee for a violation of Rules or Statutes, the Arizona Department of Real Estate may also take additional action against the licensee, pursuant to ARS 32-2153 (B) (10). ☐

The Homeowner's Insurance Crisis (continued...)

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insurance

The Arizona Department of Insurance has developed a comparison of homeowner's insurance rates to encourage consumers to comparison shop for their insurance, which may be found at www.id.state.az.us/index.html. The Department also developed a "Consumer's Guide to Homeowner's Insurance," which is at www.id.state.az.us/index.html.

Advice to homebuyers

AAR is considering possible action to address these concerns. Legislation may be necessary. In the meantime, buyers should educate themselves about their insurance company's underwriting practices and shop around for a company that will best suit the buyer's needs. Further, a buyer may want to request that the seller provide the buyer with a five-year claims history on the home, so any claims issues are identified early in the transaction. Finally, buyers should apply for homeowner's insurance as soon as possible after entering a contract to purchase a home.

Editor's Note: Ms. Lind is a State Bar of Arizona

board-certified real estate specialist. You may visit the AAR web site at www.aaronline.com. ☐

Do you like to write?

Do you have an article idea?

If you would like to submit an article to be considered for inclusion in The Bulletin, please send your article to the Editor via email at: lcarrasco@re.state.az.us.

Submissions must be in MS Word format and less than 500 words.

Submissions of guest writers may not necessarily reflect the opinion of the Department and may be edited due to space limits.

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