

**Arizona Department of Real Estate (ADRE)
Education Advisory Committee (EAC)
Meeting Minutes**

Wednesday
December 7, 2022
10:00 a.m. – 12:00 p.m.
Arizona Department of Real Estate
Google Meet
100 North 15th Avenue, Suite 201
Phoenix, Arizona 85007

Call to Order –

Commissioner Dettorre called the meeting to order at 9:59 a.m.

I. Introductions & Welcome

Members present:

- Theresa Barnabei – virtual
- Tonya Deskins - virtual
- Holly Eslinger - virtual
- Jenny Hogan-Lizarraga
- Rachael Kish
- Brittni Matt
- Annalisa Moreno
- Jeff Raskin
- Patrick Sheahan- virtual
- Cheryl Terpening
- Fletcher Wilcox
- Kurt Wildermuth- virtual

Absent:

- Kim Horn
- Jon Kichen

ADRE Representatives present:

Louis Dettorre, Commissioner

James Knupp, Deputy Commissioner (DC)

Abby Hansen, Chief of Staff (COS)

Chandni Bhakta, Legislative Liaison

Marlee McCormick, Licensing Division Manager (LDM)

Jackie Gunderson, Education Services

II. Approval of September 7, 2022 Meeting Minutes

Commissioner Dettorre asked for a Motion to approve the September 7, 2022 Meeting Minutes. Upon a motion by Member Raskin, seconded by Member Terpening, the Minutes of the September 7, 2022 meeting were unanimously approved.

III. ADRE Reports

Commissioner Dettorre provided a brief presentation on Department statistics and then noted a few of the most recent highlights at the Department;

- Recently attended the National Association of REALTORS® (NAR) event in Orlando, his trip was shortened due to the weather but he was able to attend the Arizona Caucus and the NAR/Association of Real Estate License Law Officials (ARELLO) meeting.

Member Terpening stated that she has found that many of the newer licensees (licensed within the past five years) are panicked in this new market they appear unsure of how to compete and strategize.

- Complaint issues that have been addressed recently;
 1. Failure to disclose material facts; now that sales have slowed and there is not the same level of competition amongst buyers, they are taking their time to purchase and may be more likely to submit a complaint regarding their transaction.
 2. Breach of Fiduciary duty; fraud claims regarding use of electronic signatures.
 3. Property Management issues; claims within the residential market of the Broker not responding to calls and needs.
 4. Advertising complaints.
- Commissioner Dettorre asked the EAC members if there were any items of note regarding the Department website that could be addressed or improved.

Member Moreno indicated that a frequent question she is asked is what continuing education courses are required. Member Raskin agreed and also suggested defining what electives are and better visibility of where to sign up for Late Breaking News.

COS Hansen noted the best place to direct licensees regarding their continuing education requirements is to their ADRE personal login portal. The licensee will then receive information specifically tailored for them. Member of the Public Marti Barnewolt suggested placing the pass fail rates in a more visible location.

- Commissioner Dettorre continues to complete many outreach events, meeting throughout the valley, White Mountains, Kingman, Prescott, Lake Havasu, Tucson, Yuma and Flagstaff and brings much of those conversations back to the Department to address and share those items in question to the wider audience via the Department Bulletin, social media postings and updates to the Department website.

- The Department continues to address Audit issues working to streamline and improve the Audit experience so that it is painless, yet thorough and accurate.

- Water remains a hot topic. The Commissioner referred to an article recently released by the Arizona Association of REALTORS®, written by Michelle Lind, Esq. as an excellent resource.

- Improving Education continues to be a strong focus by the Department.

Commissioner Dettorre encourages all educators to present curriculum that is current, relevant and accurate especially addressing changes in legislation.

1. Wholesaling
2. Teams SPS – compensation
3. Education forms addressing “live classroom”

- Commissioner recognized Member Eslinger and all that participated in updating the Model Broker Policy and Procedures Manual. Member Eslinger stated that she has never dealt so effortlessly with ADRE thanked Commissioner Dettorre and DC Knupp for all working so well together. Commissioner Dettorre noted the Department is blessed to have a very hardworking staff, it could not all be done without our dedicated staff. Member Eslinger stated to the heads of the schools “please take this update seriously”. DC Knupp noted the Model Broker Policy and Procedures Manual is available as a word version on the ADRE website.

DC Knupp will forward to all members’ two new videos; “Topics to Research before Purchasing Real Estate” and the “Volunteer Course Monitor” training, which are now available on the ADRE website.

LDM McCormick provided an overview of the Education statistics and a few upcoming items.

- The School Audit Declaration (SAD) will be sent out mid-December and it will be a “Google Form” for ease of completion. Commissioner Dettorre recognized LDM for updating the SAD.
- Pearson Vue has updated the candidate handbook modifying when a test taker may request an exam playback. It may now be done after the second or any subsequent failed exams. The exam review may still only occur once.

IV. Further discussion the June 8, 2022 EAC meeting discussion on CE categories

- A. What course topic(s) would you add under the general real estate category in A.A.C. R4-28-402(A)(h) to meet a specific need for schools?

Member Barnabei asked why negotiations is not allowed and noted the whole real estate transaction process is a negotiation and further suggested looking at the topics that will not be approved and add those to the general category.

Member Deskins suggested Technology and allow the term to be used broadly. She also suggested; How to Run a Business, Safety, Time Management and Marketing Property via Social Media.

Member Raskin mentioned; Time Management, Identity Theft and agreed with Technology including basic technology training.

Member Wilcox proposed Market Data/Market Trends

Member of the Public Barb Freestone recommended that the general category just be general, anything related to the real estate industry and business practices in general.

When schools submit a course, they will need to justify how it relates to real estate. She also suggested Ethics.

- B. Would adding additional course topics under the general real estate category in A.A.C. R4-28-402(A)(h) meet the needs of licensees, while still requiring that a majority of the course is related to Arizona law and/or rule (commercial legal issues, multi-family legal issues, ethics, etc.)?

Commissioner Dettorre asked what items/areas are underserved and how do we look at the current framework to identify where the gaps are and what’s missing?

Member Kish stated she stays in her field of expertise so her perspective is strictly multi-family and she has found that the bulk of courses have no relevance to what she does every day. There is a need for more courses designed for the multi-family property management industry to increase professionalism and asked how much flexibility there is when approving a course to drive down to multi-housing?

Commissioner Dettorre stated a submitted course has to meet requirements of statute or rule and changes to the defined requirements are predicated on rules being

reviewed, there is flexibility in how the Department looks at it. Member Kish suggested the contract category be replaced or include lease agreements.

Member Raskin stated the handout regarding other states requirements was outstanding.

Member Kish asked how educators could work with experts in multi-housing to bring about change to the courses offered and said she would mobilize people in the industry to become instructors.

Member of the Public Barnewolt suggested a multi-housing boot camp and offered to discuss it further with Member Kish. Commissioner Dettorre noted there is a need to improve education regarding property management.

Member Hogan-Lizzaraga stated her school receives many inquiries regarding licensees going into another area of real estate. She also noted some states have post licensing requirements and stated that the Department should not allow the same continuing education course be taken every two years. She stated that educators need to focus on writing courses with new, relevant and current topics.

Member Kish asked if there was demographic information available regarding course enrollment to ensure that they are catering to the appropriate audience. Member Barnabei stated she looks at the Association profiles. Member Raskin stated the average demographic of a licensee is a 54 white female and that he gets very few Millennials and Gen Zers, and that he knows his audience.

Member Terpening stated that the real estate industry has not had such a drastic change within a year, many of the newer licensees do not know real estate terms that are now required or referred to.

Member Wilcox stated that in 14 years the interest rate has not been this high.

Member of the Public Freestone asked if the Department has considered looking at the broker management clinics to be more delineated, i.e.; Basic HR Issues, Basic Business Issues etc.

Member Sheahan asked where the designated brokers figure into training if continuing education courses are the mode to learn tech, business and HR issues. Member Barnabei stated many larger brokerages are able to have in house training but the smaller ones are not able to. Member Kish agreed they do in house training for teams, she wants to make sure there is consistency in the overall training within the industry.

Commissioner Dettorre stated Member Sheahan's question is very valid and that is one of the reasons he wanted to update the Model Broker Policy and Procedures manual, the designated broker is responsible but how can we move forward to better serve the needs of licensees?

C. Do you think it is necessary to add a new Continuing Education category that each licensee would need to take in order to renew? If so, what would that category be? Member Terpening stated Ethics. Member of the Public Freestone stated, Ethics and mentioned that California has an ethics category. Education staff member Gunderson voiced concern that it will create confusion with the NAR ethics requirement. Member Moreno said it would 'kill two birds with one stone' and could fulfill both requirements.

D. Is there a state that you think does a good job with their Continuing Education requirements? Is there something missing from Arizona's Continuing Education requirements?

Member of the Public Freestone stated Texas, they have post licensing requirements and it may be time for Arizona to consider it.

Member Deskins moved here from Washington where they have a core curriculum, and noted that completing requirements by category may not require a licensee to take something they have no interest in.

Commissioner Dettorre stated that many states have a Board or Commission that may determine what courses are required on an annual basis.

Member Sheahan asked "isn't the Graduate, REALTOR® Institute (GRI) a post-licensing course"? Member of the Public Freestone said yes but it is missing an ADRE requirement, with most licensees obtaining it in four to five years of being licensed.

Member Raskin noted that appraisers need two years under a mentor for applicable experience. Commissioner Dettorre stated appraisers are regulated by the Department of Insurance and Financial Institutions and also federally regulated, changes at ADRE would require additional regulatory approvals.

Member Sheahan stated that in Arizona there is one licensee for every 110 people, all of the licensees won't make it.

E. Number of hours of each continuing education course.

Commissioner Dettorre stated that nothing precludes a different time than the standard three hour course could not be approved, but that ADRE would need to review the course application, just like all others.

Member Moreno asked where do we go from here. Commissioner Dettorre stated the Department will summarize this discussion and noted that it had been a very robust meeting. The process will be very collaborative moving forward in the rule making process.

V. DC Knupp will send out the Volunteer Course Monitor Video

Member Terpening asked if the video and information be sent to brokerages. Commissioner Dettorre asked that members let the Department know of any brokerages that are interested and he would be happy to connect them to the flyer.

VI. Call to the Public

Member of the Public Barnewolt mentioned that Judy Lowe had asked that the EAC member support Commissioner Dettorre in his reappointment and asked that they reach out to the Governor-elect. Commissioner Dettorre thanked Member of the Public Barnewolt and offered to all, to please give your honest feedback if you choose to do this. Member Kish asked if it would be a conflict of interest if DC Knupp could share the transition contact information. DC Knupp stated he could share that information. Contact information for the transition team is publicly available.

Member Sheahan asked if the legislation that would allow instructors to receive credit for the course they teach was moving forward, and asked who was behind the request. DC Knupp stated he was not aware of who had initiated it.

Commissioner Dettorre noted that many bills would be introduced and many will work through the process.

Member of the Public Liz Hill stated she would like to see courses on Safety both for licensees and clients, Green Build, Water and Professionalism. She further continued regarding Member Sheahan's question who was behind the legislation to receive credit for courses self-taught, she stated it was someone at AAR and she strongly disagrees with the proposal and has voiced that she vehemently disagrees with it to Matt Contorelli, Government Affairs Director at AAR.

VII. Next EAC Meeting Date; March 8, 2023

VIII. Adjourned at noon

*Respectfully submitted this _____ day of March 2023
Education Advisory Committee*

Commissioner Louis Dettorre

Members of the Education Advisory Committee will attend either in person or by telephone conferencing.

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