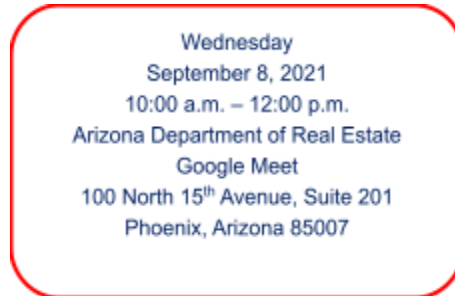


**Arizona Department of Real Estate (ADRE)
Education Advisory Committee (EAC)
Meeting Minutes**



- I. Call to Order -
Commissioner Lowe called the meeting to order at 10:00 a.m.

II. Introductions & Welcome

Members present:

Theresa Barnabei
Holly Eslinger
Jenny Hogan-Lizarraga
Annalisa Moreno
Greg Muir
BethAnn Neynaber
Jeff Raskin
Cheryl Terpening
Kurt Wildermuth

Absent:

Kim Horn
Patrick Sheahan

ADRE Representatives present:

Judy Lowe, Commissioner
Louis Dettorre, Deputy Commissioner (DC)
Abby Hansen, Chief of Staff
Liz Hill, Assistant Commissioner Licensing Services/ CIO AMS (AC)
James Williams, Education Services
Janice Thompson, Education Services

III. Approval of June 9,2021 Meeting Minutes- not completed - will add to December agenda.

IV. Call to the public
None

V. ADRE Reports

Commissioner Lowe provided some of the noteworthy items at the Department.

- It's a crazy market. All offers must be presented to the seller. If rejected the licensee must have the offer signed by the seller, and then sent to the buyers. Both Designated Brokers must keep a copy for 1 year.
Member Terpening asked about verbal offers that are submitted. She stated that in her classes she suggests emails be used as well. Member Eslinger stated that verbal offers are a violation of the code of ethics and that only written offers should be presented.
Member Barnabei stated that per Rule R4 - 28 - 802 all offers must be presented.
- Commissioner Lowe stated that when something goes wrong in a transaction the consumer may send in a written complaint. If under ADRE jurisdiction ADRE must investigate it. Commissioner Lowe stated that the licensee should not make decisions for a buyer or seller, the liability of a purchase agreement lies with the buyer and seller.
- There is still confusion regarding subdivisions. Licensees do not realize that if an investor owns 6 or more properties within a subdivision they must apply for a public report or an exemption.
Member Eslinger asked if a seller with ten properties needs a new public report. Commissioner Lowe stated that they may just need an exemption. All forms can be found at www.azre.gov.
- A Broker may only pay their own licensed employees, unless they are paying a referral fee to another Broker.
- Commissioner Lowe and DC Dettorre both attended the Association of Real Estate License Law Officials (ARELLO) conference in San Antonio in July. Some of the topics covered were;
 - ❖ Teams- some states are legislating allowable Team names
 - ❖ Love letters - some states are banning them. They are letters that potential buyers send with their offer to encourage the seller to accept their offer.

❖ The issue of wholesaling/warehousing continues to be a concern/problem nationwide
Member Terpening asked if the Arizona Association of REALTORS® would be moving that forward with our Legislators. The Commissioner stated that it had been discussed at the recent caucus.

- There is a growing concern that licensees are working outside of their area of expertise.

Member Hogan-Lizarraga asked if a statewide brokerage can work anywhere in the state. Commissioner Lowe stated that they can work anywhere in the state but suggests the licensee must provide written disclosure to the buyer/seller that they are working outside of their area of expertise and must ask the buyer/seller to sign the form acknowledging that.

DC Dettorre provided a brief presentation reviewing current statistics for the Department including; licensing, education, and development services.

- It was asked if the Department could provide the number of self employed brokers that were being approved.

AC Hill reviewed education statistics.

Member Terpening asked if the passing goal was 75% or more. AC Hill stated yes for standard salesperson and broker test takers, but not for out of state license recognition candidates.

Member Eslinger asked if there was any plan to stop offering host remote classes. AC Hill stated “no”.

Member Hogan-Lizarraga asked about “hybrid” pre license education. Commissioner Lowe stated it was not on the agenda and there would not be time to discuss it today.

VI. Volunteer Monitor Program Update

- AC Hill stated the Department continues to use the opportunities of the telework environment to assign ADRE staff courses to monitor. She thanked the educators who host the Department as volunteer monitors. A handout was provided to all to share with their schools and students to use in soliciting volunteer monitors. Jim Williams is the contact person for sign up and scheduled training. The Monitors may use these courses for their Continuing Education requirements.

Member Raskin asked if a volunteer monitor needed to announce they are Department staff and were held to the same requirements as all in the class, including being on camera. AC Hill stated “yes” and the Department would address the matter.

- The next training class will be held on October 20, 2021.

VII. Review/Discussion of Pre License Exam Pass/Fail Rates

Member Raskin stated that he has heard complaints from students that take a host remote course or online pre-licensing course but then do not get any help or assistance from the school/instructor when asking questions online or via email.

Member Neynaber stated that she feels that many of the students come unprepared. They are very lackadaisical, and feels it could be as much as 25% that are not serious about completing the education.

Regarding pre-licensing education, Member Hogan-Lizarraga stated that she believes that the students think the school exam is just a “test” exam. She suggested that ADRE audit the schools to ensure that they are meeting the Department’s standards.

Member Hogan-Lizarraga asked if the subject matter experts (SME) that write the questions for the Pearson Vue exam could review the school’s outline. DC Dettorre noted that there is nothing in Statute that allows the Department to do this.

Commissioner Lowe stated the schools must adhere to the lawbook, as well as, the required curriculum.

Member Muir believes that there is too much confusion in the marketplace. He also asked if the statute that allows the prelicensing education to apply for licensing purposes for ten years could be shortened, so that individuals would need to repeat their pre licensing education after a more reasonable time.

Member Barnabei stated it is up to the instructional style to keep students involved and excited. She stated she often hears there is not enough time to teach all the requirements, but reiterated that there is if the instruction style allows for more interactive teaching methods, and questioned if all instructors have adjusted to today’s students and their instructional needs. Commissioner Lowe stated ADRE should upgrade instructor requirements, requiring a change based on teaching techniques for certain areas of the curriculum.

Member of the Public Barb Freestone indicated that the Real Estate Educators Association (REEA) has the Generally Accepted Principles of Education that ADRE may want to review when upgrading or modifying instructor requirements. And reminded all, that when an instructor is instructing a class they may refer to the statement “What student needs to know”, and then “What’s Nice to Know”.

Member Eslinger asked the Department to take a serious look at the Broker Management Courses (BMC's) and asked if the Department would like a taskforce started. Commissioner Lowe stated that changes to the BMC's would require legislation. Member of the Public Barb Freestone stated that the Arizona Association of Realtors® (AAR) has a current task force regarding BMC's and will address this with them. Commissioner Lowe indicated that it would be nice for ADRE to have representation on the task force.

VIII. Other Matters

None

IX. Next meeting; December 8, 2021, 10am to Noon

X. Meeting adjourned 12:10, Motioned by Member Raskin, seconded by Member Moreno.

*Respectfully submitted this _____ day of December, 2021
Education Advisory Committee*

Commissioner Judy Lowe

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