

## Arizona Real Estate Advisory Board Meeting Minutes

Wednesday  
July 17, 2019  
10:00 a.m. - Noon  
Arizona Department of Real Estate  
Training Conference Room  
100 North 15<sup>th</sup> Avenue Suite 201  
Phoenix, Arizona 85007

- I. Call to Order – Nedra Halley, Chair  
Chair Halley called the meeting to order at 10:10 am.

II. Introductions & Welcome

**Members present:**

Nedra Halley, Chair

Charlie Bowles, Vice-Chair

Carla Bowen

Kim Clifton

Bill Gray

Bruce Jacobs- telephonically

D. Christopher Ward – telephonically

**Absent:**

Karen Bohler

Nicole LaSlavic

Justin Rollins

**ADRE Representatives present:**

Judy Lowe, Commissioner

Louis Dettorre, Deputy Commissioner (DC)

Lancing Adams, Assistant Commissioner Licensing Services/CIO AMS

Abby Hansen, Chief of Staff

**Public Present:**

Lenna Bien, The Agency RE, LLC

Scott Drucker, Arizona Association of Realtors® (AAR)

Ron Sova, Rancho Madera Home Owners Association (HOA)

Jake Kaplan, Rancho Madera Home Owners Association (HOA)

III. Approval of April 24, 2019 Meeting Minutes

Chair Halley asked for a Motion to approve the April 24, 2019 Meeting Minutes.

Upon a motion by Vice Chair Bowles, seconded by Member Gray, the Minutes of the April 24, 2019 meeting were unanimously approved.

IV. Call to the Public

Member of the public, Ron Sova read a brief statement regarding issues he is having at his HOA of which he is on the board.

Commissioner Lowe provided Department HOA statistics and informed Mr. Sova where this information is located on the Department's website.

V. Advisory Board Member Facilitator Reports

- Member Gray received a call regarding nicknames, inquiring what name must be used when signing a contract. Member Gray stated he informed the individual that they must use their legal licensed name, not the nickname. Commissioner Lowe concurred; the legal licensed name must be used on all real estate transaction documents.
- Member Bowen was notified by a group of individuals in her area who had received a letter from an attorney (and licensee) notifying them that he had purchased land through a tax sale. This individual was now building a motocross facility in the middle of an upscale community. Member Bowen informed the group that they should file a complaint but the group feels too intimidated to do so. Commissioner Lowe indicated that they should file a complaint as the attorney/licensee had not disclosed they held a license in the transaction.

Member Clifton asked if Board members are obligated to file the complaint if they have been notified of an issue. Commissioner Lowe stated there are no written requirements that a Board Member file the complaint but rather encourage the individual file a complaint.

Member Bowen also noted that fix and flips are “out of control” in her area (Navajo County). Two agents had property in escrow that had been flipped by a licensee/investor and had to cancel escrow due to many issues with the home. No contractor used for repairs/remodeling but have asked contractors to say that they did. Member Bowen stated it does not appear that many understand that a contractor is required for work done on a home with a value over \$1000.00.

Commissioner Lowe referred Member Bowen to the Arizona Association of Realtors® video along with published material regarding fix and flips found on AAR’s website.

Member of the public Scott Drucker stated that licensees that perform fix and flips that are done properly are putting themselves up for liability as it becomes a civil matter.

Member Bowen stated she would like to see more education regarding fix and flips and asked that it be added to the next Department Bulletin. DC Dettorre stated that it would be included.

- Member Clifton had a couple of calls regarding licensing that she directed to the Department
- Chair Halley stated she was contacted by Mr. Sova, and provided the details for this Advisory Board meeting so that he may attend as a member of the public.

**VI. Online Pre Licensing Education and Contract Writing**

Member Bohler was to address this agenda item but was not able to attend this meeting. Member Bowen stated she just completed an online course and the entire course was about what other states do, no relevant information regarding Arizona. She will forward the course information to AC Adams. Member Gray inquired whether the Contract Writing course will be offered online, Commissioner Lowe stated there may be some talk that it will be in legislation next session. This item will remain on the agenda for the next meeting.

**VII. ADRE Reports**

Commissioner Lowe provided the following;

- 99% of licenses are now renewed online.
- ADRE has an impact on economic development by providing an efficient turnaround time on public reports.
- Salesperson new curriculum is now online and in the classroom.

- The Broker new pre licensing curriculum has been introduced. Member Gray stated the difference compared to the prior curriculum is the new is focused on how the laws apply to a real estate transaction.
- A Instructor Development Workshop (IDW) will be required to be taken by all instructors of the broker pre licensing courses. Commissioner Lowe stated she is very proud of the new curriculum and feels that it is the most comprehensive in the country.
- The National Association of Realtors is currently involved in an anti-trust lawsuit. ADRE is not involved in it. The lawsuit is based on who is paying what and how a commission is paid. The other lawsuit they are involved in is regarding robo calling. It involved a large real estate company calling individuals on the do not call list.
- Association of Real Estate License Law Officials (ARELLO) has a special workgroup on portability and reciprocity of licenses.
- There is a lot of conversation going on regarding block chain.
- Teams remain a hot topic across the country.
- ADRE is a leader in online pre licensing, requiring a biometric signature or facial recognition.

Deputy Commissioner Dettorre provided the following;

- A brief update on the TEAMS Substantive Policy Statement (SPS) was provided. The Department is currently working with the Attorney General and is preparing a second draft to present to them.
- The Department is looking at legislation for the next session and have found some language no longer pertinent regarding education requirements.
- ADRE will also relook at the 95/110 business model that the Department is held to, to determine if we can get off from it. The Department is the only agency in the state on this business model. The Department of Insurance is on it but they get an exemption every year.
- FY19 just ended with the new fiscal year starting on July 1<sup>st</sup>.
- The Arizona Mexico Commission Summit held at the end of June was a success and very well attended.
- The Department Bulletin will be issued the week of July 22<sup>nd</sup>.
- The Department's Strategic Plan was reviewed and indicated where this may be found on the Department's website.
- A brief overview of the legislation going into effect on August 27<sup>th</sup> was provided. This may also be located on the Department's website.

Commissioner Lowe indicated that the only real change regarding HB2569 is the education requirement.

Member Bowen asked disclosure and HB2443 Revised Property Disclosure Affidavits and how does one comply? Member of the public Scott Drucker asked if the Affidavit of Disclosure was posted on the Department's website, Commissioner Lowe stated it was not as it is more of an Escrow Company document.

AC Adams provided the following;

- A brief update on Licensing, Education and Development Services statistics.
- The next IDW's will be held on July 23, August 14, August 29 and September 4. Anyone teaching pre licensing courses needs to attend.
- The Subject Matter Expert (SME) will be held next week with Pearson Vue to develop the test questions for the new broker exam.

VIII. The next scheduled meeting is October 23, 2019.

IX. At noon, Member Bowen made a move to adjourn, Member Bowles seconded.

*Respectfully submitted this 23<sup>rd</sup> day of October, 2019*

*Real Estate Advisory Board*

  
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*Nedra Halley, Chair*