

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

Wednesday
December 8, 2021
10:00 a.m. – 12:00 p.m.
Arizona Department of Real Estate
Google Meet
100 North 15th Avenue, Suite 201
Phoenix, Arizona 85007

- I. Call to Order -
Commissioner Dettorre called the meeting to order at 10:02 a.m.

II. Introductions & Welcome

Members present:

Theresa Barnabei - telephonically

Holly Eslinger - telephonically

Kim Horn

Jenny Hogan-Lizarraga

Annalisa Moreno

Greg Muir

BethAnn Neynaber

Jeff Raskin - telephonically

Patrick Sheahan- telephonically

Cheryl Terpening

Kurt Wildermuth

Absent:

None

ADRE Representatives present:

Louis Dettorre, Commissioner

James Knupp, Deputy Commissioner (DC)

Abby Hansen, Chief of Staff (COS)

Janice Thompson, Education Services - telephonically

III. Approval of September 8, 2021 Meeting Minutes

Commissioner Dettorre asked for a Motion to approve the September 8, 2021 Meeting Minutes. Upon a motion by Member Sheahan, seconded by Member Hogan-Lizarraga, the Minutes of the September 8, 2021 meeting were unanimously approved.

IV. Call to the Public

None

V. ADRE Reports

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

- The EAC's purpose is to recommend to the Department opportunities for the real estate education industry, and the Department welcomes those ideas and opportunities.
- The Department continues to receive complaints regarding wholesalers. The Department is trying to encourage the Designated Brokers to have a better understanding of wholesaling and warehousing activity that is going on.
- Commissioner Dettorre provided a brief presentation reviewing current statistics for the Department including; licensing, education, and development services.

Member Terpening inquired if ADRE was able to provide a comparison from 2019 and 2020 online education statistics. Deputy Commissioner Knupp indicated he would check with Pearson Vue to obtain those numbers if available.

Member Muir asked what the Department's expectations of the education industry were related to exam pass rates. Commissioner Dettorre stated there is no statute defining the Department's action if a school has a low exam pass rate. The Department posts exam pass rates to the website each month and communicates them to the EAC for discussion.

Member Horn stated the expectations for the exam should be high enough so that a candidate needs to know the information, and not so low, that it is too easy.

- The Department in conjunction with Pearson Vue and a group of Broker Subject Matter Experts (SME) just completed a review of the Broker exam questions to determine if they are current and accurate.
Member of the Public Freestone asked if ADRE had the statistics for computer based pre license education verses live/host remote pre license education and inquired what type of questions tend to trip up test takers, may the educators have a recap? Deputy Commissioner Knupp stated the sections that have been identified as harder have fewer questions.
Member Sheahan asked if school pass rates are still posted on the website. He then advised EAC members to review those statistics to have a better understanding of the pass/fail rates. Member Sheahan indicated that some schools pass/fail rates are in the 30's and some in the high 80's. Deputy Commissioner Knupp will email the current link to the website statistics to all EAC members.
- Commissioner Dettorre asked if the "Educator Update" was found to still be informational. It was introduced during 2020 with the rapid changes required due to COVID-19. He asked what might be more beneficial or helpful. All members indicated they still found them useful.
Member Neynaber stated there is a need for more fillable education forms. Commissioner Dettorre stated that the Department's goal is to provide relevant and timely information. ADRE is open and welcome to ideas.
Member Sheahan stated he felt the education updates were very valuable, but noted that some of the requirements, i.e. ADRE won't accept written applications or waivers on the 14th day, he stated that it was not intrinsically fair that a new policy or procedure goes into effect with one day's notice. Commissioner Dettorre stated that he agreed, and will consider that feedback with future policy changes prior to implementation. Member Sheahan noted he appreciated the consideration.
Member Raskin asked if the course certificates require the school administrators to actually fill out the certificates or just sign them. Commissioner Dettorre advised he would research the history on that requirement and advise on his findings.
Member Barnabei inquired about teaching to the public report requirement, if a licensee has documentation that they advised the parties in a transaction does that absolve the licensee.
Commissioner Dettorre stated that he includes information about the Development Services Division and public report requirements in most

presentations to brokerages and associations, and will continue to provide information related to this important area.

Member Wildermuth stated he has turned down clients that do not want to obtain a public report.

- Commissioner Dettorre welcomes the opportunity for the EAC to review our education forms and provide improvement suggestions. More to follow regarding this will be sent out in January.

DC Knupp provided the group with a little of his background in both Six Sigma and the Arizona Management System.

VI. Volunteer Monitor Program Update

- Notifications have been sent to licensees regarding the program. ADRE would appreciate any assistance or suggestions in recruiting volunteer monitors.

Member Raskin asked if ADRE staff is required to identify themselves. DC Knupp stated he would address the requirement with staff.

Member Barnabei stated that she sets the standard for the volunteer monitor; they are required to participate in breakout sessions etc., just like any other student.

Member Barnabei asked if they could receive feedback on what the volunteer monitor thought of the course, if that could be shared with the school administrator. DC Knupp stated he would look into that.

Commissioner Dettorre stated allowing staff to complete the volunteer monitor courses has provided staff with an opportunity for real estate education and knowledge of relevant topics.

Member Sheahan asked how some schools are not required to provide a hard copy course content/outline. Member Muir stated Arizona School of Real Estate and Business asks the student to print the outline.

Member Neynaber stated the last two volunteer monitors that attended her courses did not identify themselves so they did not receive preliminary paperwork.

Commissioner Dettorre stated he had no opinion at this time, regarding whether the outline should be provided in hard copy or electronically.

Member of the Public Freestone stated they provide a PDF two days prior to a course and surveyed what the students did. She stated they overwhelmingly print out the outline.

Member Barnabei agreed, she provides via a PDF and for her zoom classes they either print it out or have it open on another monitor.
Additional discussion regarding the topic ensued.

VII. Education forms – opportunity for Stakeholder Feedback

Members had a brief discussion regarding a portion of SPS 2015.01 #5, and what constitutes a “live” classroom. Commissioner Dettorre asked the EAC if the SPS should allow, “live in classroom” and “Host remote live streaming”. All EAC members agreed that it should be both.

Member Sheahan stated in 2015 host remote did not exist, and he sees the addition of Host remote live streaming as a positive update.

Member Hogan-Lizarraga stated that she sees the update as a benefit.

VIII. Broker Exam Review Subject Matter Expert Update

The review started on November 2nd and has been completed. It involved 10 subject matter experts each contributing 40 hours of their time to review questions and address any statutory changes.

Member Horn asked if any of the information will be provided to school administrators. Commissioner Dettorre noted there is a separation between the exam review and pre license instructors, but understands the reason for Member Horn’s question, and will explore best practices.

Member Hogan-Lizarraga inquired if the homestead changes will be effective in January 2022. Commissioner Dettorre stated that they would.

Member Horn asked if information about the homestead exemption could be in the bulletin, and Commissioner Dettorre stated that it would, and could be included in the educator update as well.

IX. Other matters

Member Terpening mentioned a company that is contacting homeowners with a “no loan, no hassle, no commission” two page contract. The homeowner sells, but right above the signature line is a note that the buyer has the right to record this contract and a lien/cloud is placed on the home. The “buyer” then claims they no longer want the home but the cloud may be removed for \$10K to \$30K.

Commissioner Dettorre stated that ADRE has heard about this activity, which appears to be related to wholesaling.

Member Horn asked if information about wholesaling could be mentioned in the Bulletin. Commissioner Dettorre indicated that an article written by AAR's Scott Drucker has been previously run, and ADRE will look to run it again.

Member Barnabei inquired if a contract writing course had to be taken at the same school where a candidate's prelicense education was taken. Commissioner Dettorre stated, "no". COS Hansen indicated when inquiries are received at ADRE nothing is recommended, and that they are directed to the public database to search accredited schools and courses.

- X. Approval of 2022 EAC calendar
Member Terpening made a motion. Member Wildermuth seconded. All EAC members were in favor.
- XI. Next EAC Meeting Date: March 9, 2022
- XII. Meeting adjourned 11:40

Respectfully submitted this 9 day of March, 2022
Education Advisory Committee



Commissioner Louis Dettorre

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