

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

Wednesday
June 14, 2017
10 a.m. – Noon
Arizona Department of Real Estate
Commissioner's Conference Room
2910 N. 44th Street
Phoenix, Arizona 85018

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

II. Introductions & Welcome

Members present:

J. Robert Eckley
Holly Eslinger
Barb Freestone (telephonically)
Jim Hogan
Jon Kichen
Laura Kovacs
Becky Ryan (telephonically)
A. Patrick Sheahan
Amy Swaney
Kelly Zitlow

Absent:

Marti Barnewolt
Evan Fuchs
Scott Goddard
Mary Sand

ADRE Representatives present:

Judy Lowe, Commissioner

Louis Dettorre, Deputy Commissioner (DC)

Carla Randolph, Asst. Commissioner Licensing Services/ CIO (AC)

Jim Williams, Education

Abby Hansen, Customer Service Representative

Public:

Richard Cox, Darwin Jones Property

III. Approval of March 21, 2017 Meeting Minutes

Commissioner Lowe asked for a Motion to approve the March 21, 2017 Meeting Minutes.

- Member Hogan noted a correction on XII; he did not state “53% of online classes are not quality”, but rather, “a substantial number of classes are not quality”.

Upon a motion by Member Eckley, seconded by Member Hogan, the Amended Minutes of the March 21, 2017 meeting were unanimously approved.

IV. EAC Charge/Member – Appointments/Reappointments

- AC Randolph read the charge of the committee.
- Commissioner Lowe noted that the next Real Estate Advisory Board meeting is August 24th and all EAC Committee members are welcome.
- Deadline for applications for the seven (7) term positions for the EAC Committee are June 30, 2017.

V. Deputy Commissioner Dettorre provided the following updates;

- Fiscal year FY2017 is concluding June 30, 2017.
- The draft revision of the Broker Policy Manual will have one more review by ADRE legal and then should be complete. DC Dettorre noted that Member Eslinger has been assisting in the updating of the manual. Commissioner Lowe stated that she has received feedback from several real estate specialty representatives with requests for additional information to be included.

Member Hogan asked that an email go out to all schools when the Broker Policy Manual has been finalized. DC Dettorre asked that all please share in the classes the importance of joining the Late

Breaking News feature on the website to ensure that ADRE has the licensee's current email.

Commissioner Lowe recognized Member Eslinger and thanked her for her time and effort on the Broker Policy Manual.

Member Sheahan stated that many brokers photo copy the entire Broker Policy Manual and use that in their office as the Broker Policy.

- August 8th is the general effective date for the legislative bills just passed (the actual effective date is August 9, 2017).

- DC Dettorre gave a brief legislative overview on four bills that passed.

HB2039 Finders fees; apartment tenants

HB2072 Manufactured homes; real estate transactions

Member Kichen asked for the rationale for this bill. DC Dettorre stated the bill allows an individual licensed by the Arizona Department of Real Estate to sell a manufactured home not tied to land. Commissioner Lowe stated ADRE took a neutral position.

HB2067 Real estate licensing; exception; assistants

DC Dettorre gave a brief overview of the bill and provided a copy of the SPS 2017-01, "Unlicensed Assistant" to all. He also noted this has been added to the ADRE's website main page.

Commissioner Lowe read through the statement and noted some of the changes. Much discussion ensued.

SB1060 Homeowner's dispute process, cleaned up statutory references to Department of Fire, Building and Life Safety.

Member Sheahan discussed bills that revolved around the Americans with Disability Act lawsuits.

Commissioner Lowe gave the following updates regarding ADRE

- ADRE received the Good Government award from Governor Ducey in March.
- ADRE established a partnership with ASU for pre-licensing real estate education. AC Randolph stated the ADRE is also in a new partnership with the Maricopa County Bar Association. This partnership will offer dual course credit for attorneys and real estate licensees.
- Commissioner Lowe stated that there was a lot of conversation at the Association of Real Estate License Law Officials (ARELLO) meeting regarding reciprocity and portability of real estate licenses. Also at the ARELLO meeting topics discussed were foreign buyers investing in U.S. real estate and foreign investment groups managing those properties under separate

entity – unlicensed. ADRE’s legal counsel has confirmed that the property management entity does need to be licensed. It was noted at the ARELLO meeting that unlicensed real estate activity is rampant across the states. Also discussed at ARELLO was the topic of stronger consumer focused education.

- Commissioner Lowe stated that several states have successfully passed new statutes around real estate teams or emphasized within their existing statutes that teams must abide by all statutes in place.
- Commissioner Lowe noted that many states are seeing violations of the Real Estate Settlement Procedures Act (RESPA).
- The Department has seen an increase in Professional Corporation/Professional Limited Liability Corporation (PC/PLLC) applications, possibly due to the President’s proposed tax plan.
- ADRE is receiving an increase in complaints regarding forgery.
- Commissioner Lowe noted that Governor Ducey is very focused on social aspects of the state i.e. the opioid epidemic, wrong way drivers.

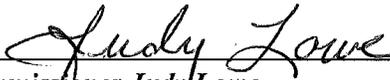
VI. Discussion on distance learning continuing education courses and feasibility of a Certified Education Instructor Designation (CDEI) requirement for distance learning instructors.

Member Ryan gave a brief overview of the International Distance Education Certification Center (IDECC®). She stated it’s important to get enhanced criteria in place regarding online education. Member Sheahan handed out a packet about the certification. AC Randolph stated 52% of licensees take online courses for continuing education. Member Sheahan stated he was concerned about the age of the curriculum and that the curriculum covers other license types, and is nationwide not state specific. Member Kichen stated he is unsure why the Committee is singling out online education for additional certification, and that they should look at the qualification criteria of the entire education process and all instructors. Member Hogan stated he would advocate for a stakeholder committee consisting of people in the industry forming a group regarding the accuracy of the material to be taught; ensuring that it is excellent. Member Kichen asked why ADRE cannot have a group form a committee to question the subject matter. AC Randolph states there are processes in place to correct issues when complaints are received. The Education department will contact the schools directly if necessary or follow up to a complaint. AC Randolph stated she would attempt to determine the number of live instructors and the number of online instructors and report at the next meeting. The distance learning discussion will be continued at the next meeting.

- VII. Volunteer Monitor Program Update – Jim Williams
- There are many enthusiastic new monitors.
- VIII. School Supervision Audit Declaration Update- Jim Williams
- The school supervision audit declaration process has concluded. The very few schools who have not complied will be addressed.
- IX. Update on Pearson VUE (Pre-licensure Testing Vendor)
- Testing has been very active, seeing a record number of testers in May of 1,239.
 - 66% pass rate for first time testers. AC Randolph provided a handout with the breakdown of ADRE education stats.
- X. Review Education/Licensing Division Monthly Reports – Carla Randolph
- AC Randolph distributed monthly statistical reports.
 - Jim Williams has processed 1,440 new applications through May.
 - Licensing received 675 new license applications in May.
 - 86% of new license applicants are processing their applications online.
 - PC/PLLC can now be processed as an online application, saving the Department 100 hours per month of staff time.
 - Licensing employee Bob Cates is retiring after 38 years of state service.
 - ADRE continues to have approximately 500 walk-ins per month.
- XI. Upcoming
- AC Randolph reiterated that June 30,2017 is the deadline for resumes for the Education Committee to be submitted.
- XII. Next EAC Meeting: September 7, 2017 10 a.m.
- XIII. Other Matters – none
- XIV. Call to the Public -none
- XV. Adjournment- Motion to adjourn by all; Noon

Respectfully submitted this 25 day of September, 2017

Education Advisory Committee



Commissioner Judy Lowe

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