



LICENSE RENEWAL TIME

By D. Philip Lasater, Executive Director

2004 is an even numbered year. Even numbered years are when real estate licenses are renewed. Renewing online will still be the best option by which to accomplish renewal of your salesperson, broker or company license. New expanded features this time include multiple broker licenses, company renewals, and home change of address options. In addition to being able to use all major credit cards, “eCheck” (electronic check) capability has been added as a payment option.

Log in: Begin from the Real Estate Commission Web site and click on Online Services. Licensees will access their personal license record. They will do so by entering their license number, date of birth, and last four digits of the social security number. This will insure that the person being renewed is the person intended. The screen will direct on through the remainder of the process until the transaction is terminated or confirmed. When the transaction is complete you will be prompted to print a confirmation of renewal.

Alabama Interactive is the State of Alabama’s electronic online transaction agent. When your license renewal charge appears on your credit card invoice it will be charged by Alabama Interactive. There is a \$3.50 convenience fee charge that goes directly to Alabama Interactive. The Real Estate Commission does not derive any revenue from the convenience fees.

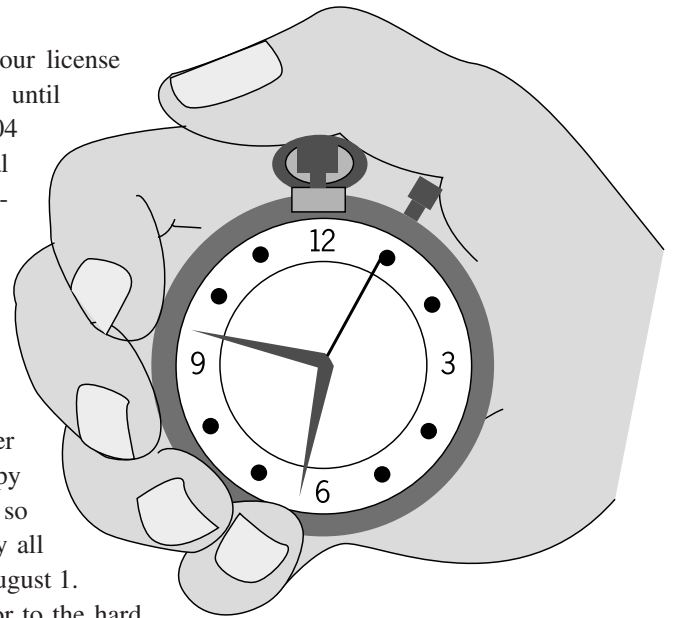
Our Web site is accessible seven days a week and twenty-four hours a day. You

may choose to renew your license online at anytime now until midnight August 31, 2004 without penalty. The Real Estate Commission computer clock is synchronized with the NIST.gov Web site. The computer clock will trigger the addition of the penalty fee at 12:00 a.m. on September 1, 2004. Paper hard copy notices will be mailed so that they are received by all licensees on or before August 1.

If you renew online prior to the hard copy notices being printed you, will not receive one in the mail.

Real Estate Commission Information Technology staff will be traveling across the state with scheduled visits to Board and Association offices, some CE classes, larger companies and others by request. The purpose will be to assist anyone interested in a personal tutorial or anyone that has primary responsibility for renewal within his or her company the opportunity to confidently know how to successfully complete online renewal. We are committed to demonstrating the ease of use and mutual effectiveness of the online process. In 2002 of all licensees that renewed 48 percent did so online. We would like to significantly increase that percentage in 2004.

There are two key changes to note for



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EDUCATION CORNER

The Scoop On Continuing Education Requirements

By Pat Anderson, Education Director

Basic Information:

- **Total CE needed:** 15 hours
- **Deadline:** September 30, 2004
- **Courses to take:** 3 hours in Risk Management
3 hours in one of the following:
 - License Law
 - RECAD
 - Fair Housing9 hours in approved elective courses

FAQs:

- Q:** In what time frame do courses have to be taken to count toward the 2004 renewal?
- A:** Courses taken only between October 1, 2002 and September 30, 2004 are acceptable for meeting renewal requirements for the issuance of the 2005-2006 licenses.
- Q:** Do my certificates of course completion have to be sent to the Commission office?
- A:** No.

Q: What do I do with the certificates of completion from my courses?

A: Keep them in case of a Commission audit in the future. Active licensees must keep them on file at their real estate office and inactive licensees who take any CE courses must keep them at home.

Q: How long must I keep the certificates on file?

A: Until October 1, 2006.

Q: If I am a new licensee and recently completed the 30-hour Post License course, do I have to take more courses for renewal?

A: No. Anyone who completed the post license course after October 1, 2002 does not have to take any hours for renewal. The 15 hours of CE earned from the post license course will be applied toward license renewal.

Q: If I took 15 hours of CE during this current license period to activate my license, do I have to take any more CE for the upcoming license renewal?

A: Yes. If 15 hours of CE were taken to activate a license for the first time during this license period, an additional 15 hours will need to be taken to renew that license for the next period. Even if your license was activated in late July, an additional 15 hours will need to be taken prior to September 30 for renewal purposes.

Q: Can I check the Commission's Web site to see how much CE I have completed?

A: No.

However, beginning October 1, 2004, instructors will report course credit for prelicense, post license and continuing education to the Commission by electronic transmission. That information will then appear on the Commission's Web site for your review. Special note: If you take a course in another state from an instructor who is not an Alabama approved instructor, that instructor will likely not be trained in the electronic reporting program. Therefore, you should obtain a certificate and send it to the Commission where the data can be entered for you so it will appear on the Web site. These kinds of courses must be approved for CE credit by another real estate commission for them to be acceptable in Alabama. REMEMBER: All of this does not begin until October 1, 2004 for the next license period.

If you have any further questions, please call or email the Alabama Real Estate Commission's Education Division at education@arec.state.al.us. ■

DON'T MISS OUT!

The Alabama Real Estate Commission Announces Its
**OPTIONAL INSTRUCTOR
TRAINING PROGRAM**

October 21, 2004

And

**ANNUAL INSTRUCTORS'
SEMINAR**

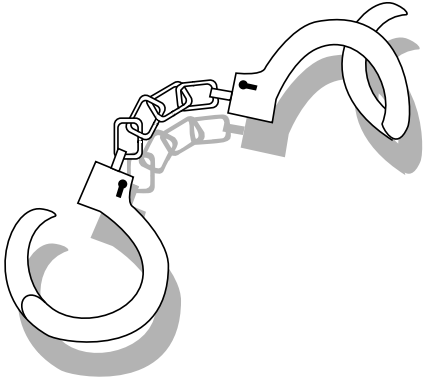
October 22, 2004

Auburn University Hotel & Conference Center
Auburn, Alabama

BRIEFLY LEGAL

Mortgage Loan Fraud—Don't Do It

By Charles R. Sowell, General Counsel



Mortgage loan fraud, and attempts at it, have become all too common. Our colleagues in other states report the same thing in their jurisdictions. We are getting way too many calls from brokers, who are very concerned about what they are seeing. Based on what I am hearing, they should be concerned.

Let's go over the law first. The law under which you could lose your real estate license is Section 34-27-36(a)(21) Ala. Code. It says you are subject to disciplinary action for "misrepresenting or failing to disclose to any lender, guaranteeing agency, or any other interested party, the true terms of a sale of real estate." That means you have a duty to tell the whole truth about what happens on a sale, especially on the financial end. It is also a criminal offense, a federal felony, to have a similar failure in connection with a mortgage loan. These criminal laws apply to those engaged in the activity, and to those who participate or conspire to fraud the lender. We have seen lots of federal indictments for loan fraud. Usually, they simply say that somebody gave a false statement to a bank or other lender in connection with the loan. It is just that easy to face doing some time in a federal lock-up. I can tell you for a fact that federal law enforcement is active right here in our state. The Alabama State Banking Department is also active.

There are plenty of creative ways to cheat. Here are some common ways to engage in mortgage loan fraud.

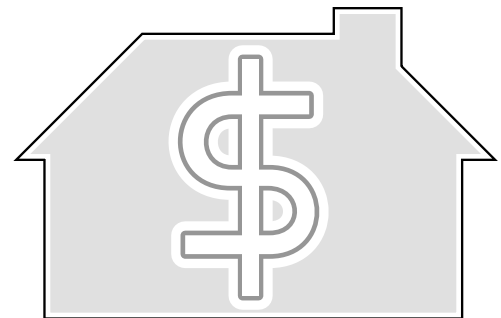
- Arrange to falsify income and or employment verification documentation. You know, that red tape required in the mortgage application process can keep some buyers from getting financing. If you or a helpful friend could just bogus-up some needed documents of any kind, it might help.
- A demanding seller will sometimes want money "under the table." He or she will not want it to show on the contract, or on the settlement statement or HUD-1. You or the buyer could leave the closing and make that under the table payment. Buyers can make similar demands.
- A buyer really would like to get an 80/20 (20% down with 80% financed) loan, but does not have enough down payment money. You know that the mortgage lender will not approve a gift, loan, or a second mortgage for the needed down payment. You or the seller could make an undisclosed gift or loan to the buyer to make the deal happen.

You do not have to be a member of the Supreme Court to know that this kind of stuff is not honest or legal. All the terms of the contract must be shown on the face of the contract so that lenders and other parties can see them. All the terms of the contract must be approved by the mortgage

lender. All money payments must be shown on the HUD-1 or settlement statement.

There is one other twist. It is not just real estate licensees who are tempted to cheat. Mortgage brokers, appraisers, and closing attorneys or settlement agents can become involved, too. Because their respective roles are important in the process, they are particularly useful if they will help. Unfortunately, it appears some mortgage lending personnel are the ones inviting the improper conduct. If anyone suggests doing something that does not seem right to you, first consult with the mortgage lender and/or the closing attorney about your concerns. If you are still not satisfied, it is time to get your own legal advice.

This is so unnecessary. There are plenty of hard-working, honest people in the mortgage lending industry. They are constantly working to earn your business and confidence. If you heard a fraction of the stories I have, you would appreciate them more.



LICENSING TIDBITS

What You Need To Know For License Renewal 2004

By Annie Hall, Licensing Supervisor

2005-2006 Renewal Requirements is in accordance with Code of Alabama 1975, Section 34-27-35 and Rule 790-X-2-.16

Renew Online at www.arec.state.al.us

- All permanent licenses will expire on September 30, 2004.
 - Renewal forms will be mailed by August 1, 2004. Licensees that have already renewed their license online prior to the mailing of renewal notices will not receive a renewal form. Notify Commission of renewal forms not received by August 10, 2004.
 - NO CHANGES are permitted on the renewal forms. Changes will seriously delay processing time.
 - If renewing by mail, the renewal form MUST be submitted with the renewal fees. Fees received without the renewal form will be returned. If renewal form was not received or has been lost or misplaced, renew the license online or you must request another form from the Commission.
 - Renewal form received with fees that are less than the amount listed on the form will be returned for the proper amount.
 - Renewal forms with fees are due in the Commission office by August 31, 2004 or postmarked by the U.S. Postal Service by that date. If renewing online, your online transaction must be completed before midnight, August 31, 2004.
 - Renewal fees received September 1, 2004 through September 30, 2005 will be subject to a penalty fee of \$150 in addition to the renewal fees. Failure to meet the September 30, 2004 deadline will result in the license being placed on inactive status on October 1, 2004 and shall be subject to all reactivation requirements.
 - Personal checks, business checks, cash or any certified funds are acceptable forms of renewal payment.
- Renewal fees are as follows:
 - Broker \$195
 - Salesperson \$175
 - Company \$170
 - Inactive licenses must be renewed the same as active licenses.
 - Temporary Salesperson licenses are not subject to renewal requirements.
 - Any of the following type licenses issued prior to September 30, 2004, will be subject to renewal requirements:
 - Original Salesperson
 - Broker
 - Reciprocal
 - Company and Branch

www.arec.state.al.us

**Save Time.
Renew Online!**

WHAT'S NEW FOR LICENSE RENEWAL 2004?

- **Now available for online renewal payment option is eCheck!** Process all online service payments fast, easy, extremely secure and hassle-free with this most popular non-cash payment choice. An eCheck is the electronic version of a paper check and can be used with any existing consumer or business bank savings or checking account.
- Brokers now have the option to renew all licensees registered to their companies online at one time.
- Brokers that hold multiple broker licenses can renew one or all of his or her broker licenses online at one time.
- Licensees will be able to change their home address, phone number and email address while renewing online.
- Brokers will be able to change their company's **email address and telephone number only** while renewing online. No other changes are permitted while renewing.
- Errors and Omissions Insurance is no longer mandatory for licensees.
- All sole proprietorships that have not already obtained a company license will be required to obtain a license at renewal. Those that have already obtained a license will be mailed a renewal form and will be required to renew the license.
- For those renewing by mail, renewal fees **MUST** be accompanied with the proper renewal form. Fees received without the form will be returned for resubmission with renewal form, which will delay the renewal process.

License Renewal Time

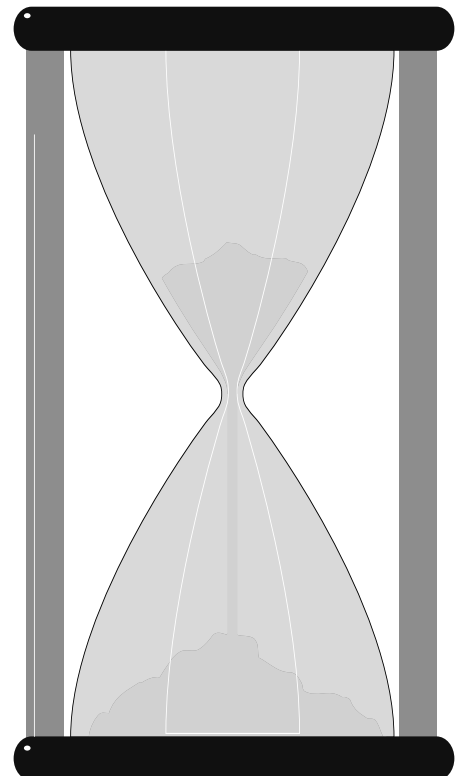
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this renewal cycle. All new sole proprietors were required to obtain a company license in 2003. With the renewal of 2004, all existing sole proprietors will be required to renew a company license. The fee for a company license is the same as salesperson.

The license fees take their last step increase to \$85 per year for company and salespersons and \$95 per year for brokers. The penalty fee that is levied beginning September 1 remains at \$150. This increase was enacted in 2001 and was phased in over the 2002 and 2004 renewals. The 2004 renewal is for the 2005-2006 license period. This fee schedule is listed in the Code of Alabama Section 34-27-35(c)(2) page 29 of the 20th edition revised.

A new CE crediting plan with real estate instructors is another major development that will be implemented this summer. The CE plan was directed by

Commissioners and is effective beginning October 1, 2004. Between now and the end of September licensees must retain their CE certificates of completion. Beginning in October instructors will submit credit to the Commission electronically for each licensee completing approved CE. Licensees will be able to access the record of their course completion online in their license history. Brokers will be able to access the records of those licensed under them. CE audits will be conducted only on those licensees whose record indicates hours less than those required. It will be from these that formal complaints may potentially originate. Courses submitted electronically by approved instructors will be listed in a directory on the Commission's Web site so that one can check and find out what courses are currently available for registration.



DISCIPLINARY ACTIONS TAKEN

February through May 2004

Disposition: The below was found guilty of violating Rule 790-X-1-.12(8) and Rule 790-X-1-.12(9) via Section 34-27-36(a)(19) by failing to provide to the Commission, upon request, original certificates of completion of approved continuing education courses.

Name: Joseph H. Graham
Qualifying Broker, Jasper, Alabama
Date of Hearing: February 12, 2004, Reprimanded

Disposition: The below were found guilty of violating Section 34-27-36(a)(16) by presenting to the Alabama Real Estate Commission, as payment for a fee or fine, a check which was returned unpaid by the bank upon which it was drawn.

Name: Tonya R. Gex
Inactive Salesperson, Spanish Fort, Alabama
Date of Hearing: April 16, 2004, Fined \$250

Name: Chuck Neubert
Inactive Salesperson, Elberta, Alabama
Date of Hearing: April 16, 2004, Fined \$250

Name: Kimberly Bentley
Salesperson, Mobile, Alabama
Date of Hearing: April 16, 2004, Reprimanded

Disposition: The below were found guilty of violating Section 34-27-36(a)(8)a. and Section 34-27-36(a)(8)b. for a broker to fail to deposit and account for funds to be held in trust for others at all times by having a shortage of trust funds.

Name: James R. Briley, Jr. and Belview Real Estate Company, Inc.
Qualifying Broker, Birmingham, Alabama



Date of Hearing: March 12, 2004, Mr. Briley's license suspended for one year and company fined \$1000

Name: C. D. Talley and Camellia Properties, Inc.
Qualifying Broker, Mobile, Alabama
Date of Hearing: April 16, 2004, Both licenses revoked

Name: Herman L. Smartt
Qualifying Broker, Huntsville, Alabama

Date of Hearing: May 7, 2004, Fined \$250

Disposition: The below surrendered the license for alleged license law violations in lieu of filing a formal complaint and having a hearing.

Name: Larry M. Carter
Salesperson, Huntsville, Alabama
Date: May 7, 2004, License Revoked

OTHER ADMINISTRATIVE ACTIONS

Determination for Licensure

Approved.....	2
Denied.....	1
Determination of Eligibility	
Approved.....	4
Denied.....	4

COMPLAINTS AND INQUIRIES HANDLED BY LEGAL AND INVESTIGATIVE STAFF

From Licensees.....	1220
From Public.....	627
Anonymous	15

Are you using the correct real estate form or application? Get the most recent Alabama Real Estate Commission forms and applications today at www.arec.state.al.us.

- Company License Application
- Standard Interstate Co-Brokerage Agreement Form
- Branch Office License Application
- Application For Continuing Education Instructor
- Application For Multiple Broker's License
- Application For Real Estate Instructor
- License Activation Form
- Real Estate Continuing Education Course Application
- Registration Form
- Real Estate School or Course Sponsor Application
- Reciprocal Salesperson Application
- Course Information Form
- Reciprocal Broker Application
- Roster For Reporting Course Enrollment
- Consumer Information Booklet
- Office Audit Checklist
- Optional E&O Coverage Form
- RECAD Forms

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**Commission Meetings
Open to the Public**

All Commission meetings are open to the public and that includes real estate licensees. Commissioners welcome and encourage attendance and observation by any licensee in any location. Locations, dates and times can be found on the Commission's Web site at www.arec.state.al.us.

License Renewal Dates

Real Estate licenses expire September 30, 2004. Remember to renew all broker, salesperson and company licenses in every even year.

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HOLIDAY CLOSINGS FOR 2004

Labor Day September 6

Columbus Day October 11

Veterans' Day November 11

Thanksgiving November 25

Christmas Day December 25
