



Be the Best You Can Be MORE CE CHOICES

By Pat Anderson, Education Director

We all want more choices and fewer restrictions about everything. What kinds of courses do you want to take in order to earn CE credit? What about negotiating techniques or learning better ways to do listing and buyer presentations? Do you need something to help you do a better job at presenting offers, hone your sales skills, learn how to better market your listings, enhance your communication skills or learn more about technology which will help you in your real estate business? These kinds of courses are approved and available for continuing education credit.

Do you remember a time when this was not true? About two years ago the Commission examined a long held position that only those courses considered "core real estate" courses, rather than those that help

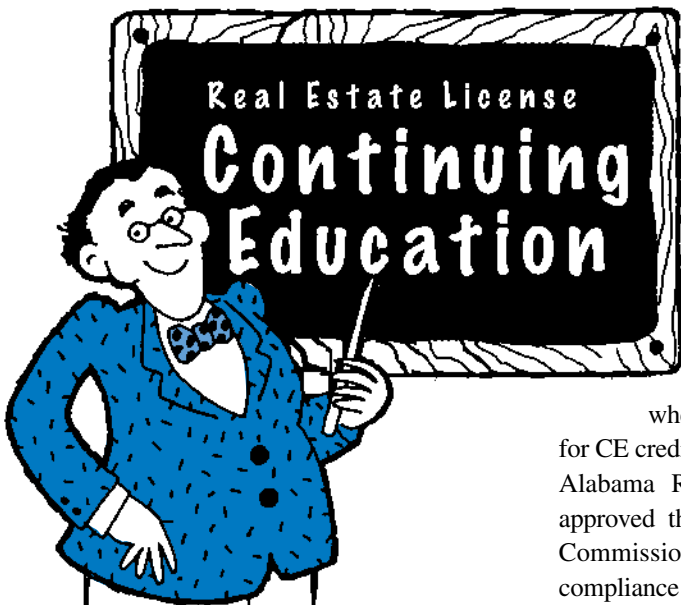
the licensee earn more money, could be approved for continuing education credit. Commissioners, to their credit, re-examined their definition of "core topics" for the nine hours of elective CE that licensees must take each license period. In addition to courses such as financing, ethics, contracts, environmental issues, law changes, etc., they felt as though the public is better protected by licensees who can aid both sellers and buyers with good market skills, communicate better so consumers have a clear understanding of the transaction and who have enough technology skills to assist consumers in obtaining the most up-to-date information available. Therefore, many more topic areas were added to the list of "core topics" available to be approved for continuing education credit.

What kinds of courses can not be approved for real estate continuing education credit? The rule still prohibits motivational courses, personal development courses (such as time management), sales meetings, in-house training and orientation courses from being offered as CE credit. However, this is a much shorter list than in days past.

What else is important when you choose a course to take for CE credit? You must make sure that the Alabama Real Estate Commission has approved the school and course. As the Commission continues to conduct CE compliance audits for the last license peri-

od, we are finding that some licensees completed what they thought were approved elective courses only to find out that the courses were never submitted to the Commission for approval. You may not know that all proprietary schools, real estate and otherwise, must also hold a license from the State Department of Education's Post Secondary Division. Therefore, it is important that licensees check before taking a course to insure that both the course is approved for CE credit and

(Continued on page 3)



In This Issue

- Education Corner: Education Specialist Chris Porter Retires 2
- AMP's Assessment Center Closing Schedule 2
- Refunds for Overpayment of Fees 3
- AREC Wins 2003 ARELLO Best Web Site Award 3
- New and Improved Online Services 3
- Disciplinary Actions Taken 4
- Newly Revised Edition of Alabama License Law Available 5
- Four Men Charged in HUD Loan Fraud . . 5
- Briefly Legal: Real Estate on Late Night Television 6
- Licensing Tidbits: A Reminder to Brokers About Sole Proprietorships ... 7
- Change of Business and Home Address .7
- New Receipt of Funds Policy 7
- Requests for Copies of Documents from Licensees Files 7
- Welcome New Staff Member7
- ARELLO Publications for Sale 8

EDUCATION CORNER

Education Specialist Chris Porter Retires

By Pat Anderson, Education Director

For sixteen years you have called the Alabama Real Estate Commission and gotten the friendly and helpful voice of Chris Porter when you had questions about education. Perhaps you wanted to know what course to take to qualify you to take the salesperson or broker licensing examination, how you could register for the exam, what you had to do to maintain your license, where to go to school, whether your course was approved or a myriad of hundreds of other questions about real estate education.

For sixteen years, instructors have relied on Chris to answer their questions, approve school, course and instructor applications, teach their new instructors and help them out of jams when they failed to do something on time or correctly. They can certainly tell you what Chris's being at the Commission has meant to them.

After thirty-two years of dedicated service, sixteen of those years spent in the school system in Elmore County and the other sixteen at the Alabama Real Estate Commission, Chris made the decision to retire effective February 28, 2004. We think her



grandson T.J. helped his grandma make that decision. After all, seven-year-old T.J. had been asking her to retire and "work for him." You know how persuasive grandchildren can be so Chris is looking forward to spending a lot more time with T.J., much to his delight.

No one will miss Chris more than the staff and

Commissioners at the Alabama Real Estate Commission. We all congratulate her on reaching this milestone and wish her many years of enjoyment with family and friends. We say, "a job well done and thank you from the bottom of our hearts—you are a model for us all and we will miss you." ■

AMP's Assessment Center Closing Schedule

All AMP (Applied Measurement Professionals, Inc.) Assessment Centers for Alabama real estate examinations will be closed on the following days in 2004.

April 9	Good Friday
April 12-16	Annual Scheduled Maintenance
May 31	Memorial Day
July 5	July 4th observed
September 6	Labor Day
October 11	Columbus Day
November 11	Veteran's Day
November 25-26	Thanksgiving Day
December 24	Christmas Eve
December 31	New Year's Eve

DON'T MISS OUT!

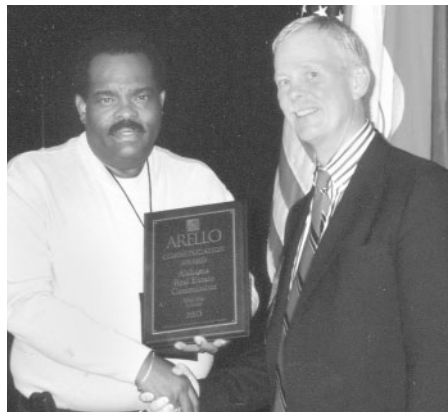
The Alabama Real Estate Commission Announces Its
OPTIONAL INSTRUCTOR TRAINING PROGRAM
October 21, 2004
And
ANNUAL INSTRUCTORS' SEMINAR
October 22, 2004
Auburn University Hotel & Conference Center
Auburn, Alabama

Refunds for Overpayment of Fees

An overpayment of fees obligates the Commission to send refund checks to licensees. Check all application/form instructions carefully and send the correct amount of money so we will not have to refund you. Refund checks from the Commission sometimes do not get cashed before they become void. After 90 days we send a letter to remind people to cash their check or fill out an affidavit requesting a duplicate check. The licensees listed below have not requested a duplicate check even though we have notified them that they are eligible to receive one. If you know any of these people, please inform them to contact our office in order to get a duplicate check for the money owed to them. Each of the following licensees is owed \$25.00 or more.

Linda A. Anderson
Sewnive Teeci Baker
Mark S. Bodden
Kathy Anita Boswell
Andrea T. Chambers
Nalda J. Cooper
Bruce S. Kelley
Allison Puccetti McCollough
Deborah F. Moore
Wilchester Realty Group, Inc.

Checks that are a year or older can not be cashed. However, you can still receive payment from the Alabama State Treasury for the amount owed. Go to the Alabama State Treasury's Web site "unclaimed property" link at www.treasury.state.al.us to find and claim money that may be owed. ■



Commissioner **Chester Mallory** (left) receives Communication Award for Best Web site from ARELLO president Scott Taylor.

AREC Wins 2003 ARELLO Best Web Site Award

At its annual conference held in Portland, Oregon in October 2003, ARELLO (Association of Real Estate License Law Officials) honored Alabama with the Communication Award for Best Web site. ARELLO is a global, nonprofit association made up of entities involved in regulating the practice of real estate. The ARELLO Communication Award recognition criteria were based on program design, communication system standards, innovation, resources and benefit.

The Commission strives to maintain quality services by providing current, helpful information to licensees, educators and consumers. Our Web site has proven to be an effective communication tool with both the public and real estate licensees. This award for Best Web site is indicative of the Commission's efforts for greater exposure, conveniences and services to people worldwide. ■

New and Improved Online Services

Online "List Requests" service is a new application offered on the Commission's Web site. The list types that can be obtained are passed exam (both sales and broker examinees), company with personnel, active/inactive (licensees), approved schools and approved instructors. Coming in June 2004 online "License Renewals" will have new features to handle transactions for brokers who hold multiple licenses, company combined renewals and eChecks—a credit "card-less" way to pay. Additionally, "Home Address Change" will be available. The aesthetics of all the online services have been improved and specific "FAQs" will be added to easily assist users. Visit www.arec.state.al.us today to use these real estate online services and get more done faster! ■



Be the Best You Can Be...

Continued from page 1

the school is approved and or licensed to offer the course.

We encourage you to visit the Commission's Web site at www.arec.state.al.us. Under Education at the top of the home page is a drop down menu. From this menu select "Approved Schools." Schools are listed by city so you can check here if you are not sure if the school where you want to take a course is approved. There are plenty of courses approved that will meet your needs. Do not

just take whatever is convenient. Take courses that will help you be the best you can be.

As a reminder, every licensee who wishes to have an active license must take, in addition to 9 hours of elective credit, 3 hours in the prescribed Risk Management course and another 3 hours in one of the following: 1) License Law/Trust Funds; 2) Fair Housing/Equal Opportunity/ADA or 3) RECAD (Real Estate Consumer's Agency and Disclosure Act). These 15 hours must be taken no later than September 30, 2004 for licenses to be issued on active status on October 1, 2004. ■

DISCIPLINARY ACTIONS TAKEN

September 2003 through January 2004

Disposition: The below were 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: Tully Richmond Burch, Inactive Salesperson, Birmingham, Alabama

Date of Hearing: September 26, 2003, Fined \$1000 and License suspended 30 days

Name: Elizabeth M. Woods, Associate Broker, McCalla, Alabama

Date of Hearing: September 26, 2003, Fined \$1000 and License suspended for 30 days

Name: Sidney W. Smyer, Inactive Associate Broker, Leeds, Alabama

Date of Hearing: September 26, 2003, Fined \$500 and License suspended for 1 year

Name: M. Middlebrook Chapman Brittain, Salesperson, Birmingham, Alabama

Date of Hearing: September 26, 2003, Fined \$500 and Reprimanded

Name: Becky J. Landry, Salesperson, Birmingham, Alabama

Date of Hearing: September 26, 2003, Fined \$500 and License suspended for 1 year

Name: Mark E. McCurry, Salesperson, Decatur, Alabama

Date of Hearing: September 26, 2003, Fined \$250

Name: Benny C. Hand, Jr., Qualifying Broker, Opelika, Alabama

Date of Hearing: October 16, 2003, Fined \$500

Name: Gary D. Head, Qualifying Broker, Phenix City, Alabama

Date of Hearing: January 21, 2004, Reprimanded



Disposition: The below was 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: Anita B. Dutton, Associate Broker, Birmingham, Alabama

Date of Hearing: January 21, 2004, Fined \$250

Disposition: The below were found guilty of violating Rule 790-X-3-.01 via Section 34-27-36(a)(19) for changing his or her place of business as set out on his or her numbered license certificate, and failing to notify the commission in writing within 30 days after the change.

Name: George M. Ward, Qualifying Broker, Mobile, Alabama

Date of Hearing: October 16, 2003, Fined \$250

Name: Clarence Manley III, Qualifying Broker, Dothan, Alabama

Date of Hearing: November 21, 2003, Fined \$500

Disposition: The below was 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: Joe L. Terry, Jr., Qualifying Broker, Bessemer, Alabama

Date of Hearing: September 26, 2003, Fined \$1000 and Reprimanded

Disposition: The below was found guilty of violating Section 34-27-36(a)(1) for a real estate licensee to make a misrepresentation or a material misstatement of fact in an application for a license.

Name: Mike Reynolds, Temporary Salesperson, Orange Beach, Alabama

Date of Hearing: September 26, 2003, License suspended for 6 months

Disposition: The below was found guilty of violating Section 24-27-31(j) via Section 34-27-36(a)(19) for a real estate licensee to fail to notify the Commission of the institution of a counter-claim against him in a civil complaint that involved a real estate transaction or involved the goodwill of an existing real estate business; Section 34-27-31(k) via Section 34-27-36(a)(19) for a licensee to fail to notify the Commission of a judgment against him in a civil complaint that involved a real estate transaction or involved the goodwill of an existing real estate business; Section 34-27-36(a)(23)b. via Section 34-27-36(a)(19) for having a final money judgment rendered against him in a civil complaint that involved a real estate transaction or involved the goodwill of an existing real estate business; and Section 34-27-31(e)(6) via Section 34-27-36(a)(19) for the Commission's payment to satisfy the judgment as ordered by the Circuit Court. Mr. Simon has appealed the Commission's order to

the Circuit Court of Montgomery County, Alabama, but the court has not stayed the commission order.

Name: Tommy B. Simon, Qualifying Broker, Montgomery, Alabama

Date of Hearing: October 16, 2003, License Revoked

Disposition: The below was found guilty of violating Section 34-27-36(a)(23)a. by entering a plea of guilty to a felony.

Name: Julie P. Pinson, Associate Broker, Mobile, Alabama

Date of Hearing: November 21, 2003, License Revoked

Disposition: The below was found guilty of violating Section 34-27-31(j) via Section 34-27-36(a) (19) for a real estate licensee to fail to notify the commission of the institution of a criminal prosecution against him; Section 34-27-31(k) via Section 34-27-36(a) (19) for a real estate licensee to fail to notify the commission of a criminal verdict against him; and Section 34-27-36(a) (23) a. for a real estate licensee to be found guilty of a felony or a crime of moral turpitude.

Name: Raymond L. Maloy, Inactive Associate Broker, Orange Beach, Alabama

Date of Hearing: November 21, 2003, Fined \$500 and License Revoked

OTHER ADMINISTRATIVE ACTIONS

Determination for Licensure

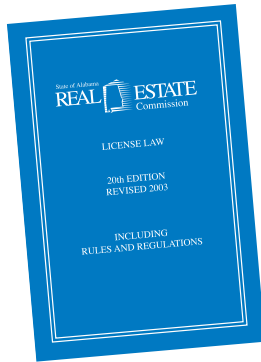
- Approved. 1
- Denied. 1

Determination of Eligibility

- Approved. 2
- Denied. 4

COMPLAINTS AND INQUIRIES HANDLED BY LEGAL AND INVESTIGATIVE STAFF

- From Licensees. 1305
- From Public. 664
- Anonymous 38



Newly Revised Edition of Alabama License Law Available

The 20th edition revised 2003 Alabama License Law Book including Rules and Regulations is now available. This edition contains a couple of new features that will hopefully enhance its use by licensees. In the back just prior to the regular index is a handy quick reference “key word” index. Also, recent pertinent Commission rulings and guidelines have been included for periodic review and referral.

Copies of the book can be purchased from the University of Alabama Real Estate Research and Education Center by phone at 205.348.4117 or on the Web at <http://arerec.cba.ua.edu/Research/Order/form.htm>.

IN THE NEWS...

FOUR MEN CHARGED IN HUD LOAN FRAUD

Originally reported by Chanda Temple, The Birmingham News, January 28, 2004

Federal prosecutors have charged four men with conspiring to defraud the U.S. Department of Housing and Urban Development over a loan program for homebuyers.

Jason Glenn LeSueur and Darren Jay Leonard are accused of conspiring to defraud HUD by causing false documents to be submitted to HUD in connection with federal housing administration loans, according to U.S. Attorney Alice H. Martin’s office. In another case, Robert Vincent McIsaac and Kenneth Wesley Taylor are accused of causing false documents to be submitted to HUD.

LeSueur was president of Southern Construction and Investments, which both, renovated and sold houses, according to Martin’s office. Leonard, McIsaac and Taylor sold houses on behalf of LeSueur’s company.

LeSueur’s agents sold homes that were financed with HUD loans, but the company failed to follow federal laws connected to the loans. HUD does not insure home loans if the seller provides the down payment or if the buyer has a bad credit history.

In these cases, Southern Construction paid a buyer’s down payment but made it appear to HUD as if the down payment came from a relative and not Southern Construction. Southern Construction agents also bolstered home buyers’ credit histories by providing false credit reference letters to HUD, according to Martin.

“During the course of the conspiracy, from July 1996 until August 2000, false documents were submitted to HUD in connection with more than 55 loans totaling approximately \$3 million,” said Martin. “These loans went into default, causing the United States to suffer a loss of approximately \$1.5 million.”

If convicted, LeSueur and Leonard face a maximum of five years in prison and a \$250,000 fine. McIsaac and Taylor each face a maximum of two years in prison and a \$250,000 fine if convicted.

BRIEFLY LEGAL**REAL ESTATE ON LATE NIGHT TELEVISION***By Charles R. Sowell, General Counsel*

Everyone has seen the infomercials. They promise real estate riches on no money down. They promise financial independence by real estate ownership. They have also spawned countless variations in real estate markets all over the country. Let's say you are a potential real estate tycoon. Here are step by step instructions on one way to do it.

1 Find an attractive property. We are not talking attractive in the usual way. We are talking about a home whose owner is in some financial distress. This owner needs to be free from their monthly mortgage payments. You should look for owners who are behind on their payments, or who are newly divorced, or who have lost a job, or who have medical bills. It does not matter the reason for their need for a quick sale. The more distress they are in, the better your opportunity. You should develop a list of potential properties like this.

2 Find a good buyer. We are not talking about a good buyer in the usual way. We are talking about a buyer who has a bad credit history, or who has been foreclosed upon, or who for whatever reason, can not qualify for a mortgage loan. You should develop a list of potential buyers like this.

3 You are going to need some legal forms. You will need a contract so you can contract to buy the home from the seller. The contract form should not obligate you to make a down payment or to pay earnest money. You might prefer to use an option to get the seller obligated to you. Regardless of which you prefer to use, the terms of either will clearly set out your

intentions to put your good buyer into possession of the property. You will not be obligated to close with the seller, until your good buyer can buy it from you. This buyer will sign a lease-purchase contract with you. So you will need that form, too.

4 Now you are ready to go. Start trying to match your property with a buyer. Be careful not to commit yourself to a written contract with the seller until you are sure you have one of your good buyers ready to sign the lease-purchase with you. Explain the beauty of your plan to the seller, only leave out the part about you becoming a real estate tycoon, and getting the home with no money down. Tell the seller the buyer just needs to make some lease-purchase payments, and work on their credit rating. Then the buyer can qualify for a mortgage loan to purchase the property from you. Tell the seller the buyer will move right in and begin to make payments. The seller can leave the property and the payments behind. Tell the seller you plan to collect enough from the buyer to make the mortgage payments and a small profit. You will make the payments. Tell the seller you will take care of their property.

5 Put your good buyer into the home. Do this by explaining the beauty of the plan from the buyer's perspective. Concentrate on your ability to rehabilitate their credit, and help them get a mortgage loan. They can realize their dream of home ownership with your help.

6 Here is how you make your money. When you buy the home this is what professionals call a quick sale. This means that you pay considerably less than full

market value to the seller. You should contract with the buyer to sell it to them for as much profit as you can. Plan to collect enough lease-purchase payment each month to make a small profit every month above the mortgage payment. The result is you have bought a home with no money down, and you are cash flow positive from the start. Get as many transactions going as possible.

Well, there you have it. This is perfectly legal. No real estate license is required, because the tycoon acquires an ownership interest in the property by contract with the seller. As licensed real estate professionals you can see the potential problems for consumers here just as well as I can. We have heard some serious horror stories from consumers who have gotten into these situations. My most memorable one is from a seller who moved away, and later received a foreclosure notice. He returned to find the house trashed. This happened when neither the tycoon nor their buyer honored their obligations. About all we can do is to continue to encourage consumers to seek traditional real estate opportunities from licensed professionals. You can help by helping consumers understand the potential problems inherent in these kinds of practices. ■

LICENSING TIDBITS

A Reminder to Brokers About Sole Proprietorships

By Annie Hall, Licensing Supervisor

Due to the amendment of the Alabama Real Estate License Law-Act Number 2003-298, effective August 1, 2003, please remember that sole proprietorships are now required to obtain a company license. New sole proprietorships are required to complete a "Company License Application" and pay the application fee of \$130 if the license is obtained in the first year of the license period and \$65 in the second year. Existing sole proprietorships must pay a fee of \$25 for issuance of a company license when submitting any transaction affecting the company.

Also, remember this is a license renewal year. Sole proprietorships will be sent a renewal notice and will be required to obtain a license. If the license has already been obtained, it will be required to be renewed.

■ Change of Business and Home Addresses

Please be reminded that this is a renewal year. Renewal notices for all active licenses will be mailed to the company address. Renewal notices for an individual's inactive license will be mailed to his or her home address. However, chances are you will not receive the renewal notice(s) if you have not notified the Commission of an address change.

Section 34-27-35(h) of the Alabama Real Estate License Law requires that each licensee shall notify the commission in writing of any change in his or her business or residence address within 30 days of the change.

You can notify the Commission of a change of home address by email, fax or regular mail and should include your license or social security number as well as telephone and email address. There is no charge to make this change.

To effect a change of business address, the qualifying broker must return to the Commission the company license plus all broker and salesperson licenses. A \$25 transfer fee must be included for each license issued to that company.

■ New Receipt of Funds Policy

In accordance with the Alabama Real Estate License Law Rule 790-X-1-.01(2), the Commission has adopted the following policy that became effective November 21, 2003:

"It shall be the policy that all fees must be accompanied by the appropriate corresponding application or form for which the fees are being submitted. The amount of the fees must be exact as set out in the statute and as reflected on the most recently revised

prescribed application or invoice form. Failure to comply in either case will result in the check or application/form being returned. The return will contain information regarding the specific nature of the deficiency and provide 10 business days from the date of return for receipt of the transaction to accommodate any crossed deadlines."

Prior to this policy, the Commission had accepted applications, forms, invoices for lists, copy fees and Commission Orders without the appropriate fees or accepted fees without the appropriate applications or forms. Requests with deficiencies were held at the Commission until the company or individual was contacted and allowed to submit the check or application/form. Please be sure to submit appropriate fees, forms and licenses (if applicable) for all transactions. Failure to follow the above policy will result in the delay of processing your requests.

■ Requests for Copies of Documents from Licensee Files

We have received a number of requests for copies of documents contained in official licensee files. Section 34-27-32(k) of Real Estate License Law states that the Commission may charge a fee of ten dollars (\$10) for furnishing any person a copy of a license, certificate or other official record of the Commission. Also, please be aware that these file copies can not be obtained from the Commission's Web site or paid by phone with credit cards. ■

Welcome New Staff Member

Commissioners and staff welcome Angela Slade to the Alabama Real Estate Commission. Angela recently joined the staff as the Assistant to Executive Director, D. Philip Lasater. She came to the Commission from the Department of Public Health and has eight years of experience with state government. Her prior experience includes work with the state Children's Health Insurance program.

Angela is attending Trenholm Technical College and assisting her 17 year old daughter, "Frannie", with her college enrollment for this year. Also, Angela enjoys working as a volunteer with the elderly and other community programs. ■





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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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ARELLO Publications for Sale



■ [Boundaries] Newsletter on Regulatory Developments

Learn the most recent law/rule changes that may soon affect you. Subscribe to this popular newsletter-the only one of its kind-and receive updates six times a year. If you are in the real estate business in any way, you'll benefit by gaining the advance notice [Boundaries] provides. (\$75 Per Year US)



■ Digest of Real Estate Laws and Issues

This popular resource provides information reported from organizations in the United States and Canada in addition to updates on current real estate issues.(\$47.50 each US, shipping & handling \$7 each)



■ ARELLO Directory of Real Estate Organizations

This handy reference provides addresses, phone numbers and contacts for real estate entities all over the globe. (\$20 each US , shipping & handling \$3 each)



■ Case Law Report

Available this year for the first time, this popular portion of the annual Digest is available with the latest court decisions that affect real estate. (\$25 each US , shipping & handling \$3 each)

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