



IT'S RETIREMENT TIME – MAY 1

FROM THE DIRECTOR

by Pat Anderson, Executive Director



Well folks, all good things must end! I have enjoyed my forty-three years here at the Alabama Real Estate Commission. As some of you know, I have served as the Education Director, the Assistant Executive Director and the Executive Director. My work here began in 1977. It has been fun, exciting, fulfilling and rewarding, and I have learned a lot from you.

The absolute best part has been the wonderful people I have come to know, love and appreciate. I wish I could write a letter to each of you and tell you what you mean to me. That would substantially cut into my retirement time so I will just do it here.

So many of you have given your time and talents to the many task forces and projects that we have had through the years. We have worked hard and played hard and come away from each venture with a product that benefited the real estate industry and the consumers of Alabama. Together we have developed courses, created PowerPoint presentations, and written new legislation and rules. We have researched many projects – recovery fund, errors and omissions insurance, RECAD, instructor qualifications, distance education; studied licensing requirements, trained instructors, chosen exam providers, taught license law classes together, and so much more. You have blessed my life in ways that I cannot even describe. I do know that I have many forever friends and I appreciate every one of you.

To all current and former Commissioners: Thank you each and every one for your support through the years. You have made my work more enjoyable and I admire and appreciate each one of you. You have been generous with your time and talents to support our regulatory efforts to make the real estate industry better for licensees and consumers. Your friendship is certainly a highlight of my career.

As for me, I can't wait to visit family and friends across the country. I have a gazillion home improvement projects to do (don't we all) and

volunteer work I would like to do. That is the start of my bucket list and, as my brother has told me for a year, "you need to retire before you get too old to enjoy it!" I have decided he is right.

You will be left in good hands at the Alabama Real Estate Commission. Another great joy for me has been working with the amazing team members we have here. They are not only good at their jobs, but they also go the extra mile to provide excellent service to you and the public. They are people who care about you and each other and understand that a smile and friendly voice are welcome when you are encountering a problem and could use assistance.

I bid you farewell from my desk here at the Alabama Real Estate Commission. When I am antiquing in your area (I do love antiques!), I will stop in and have a cup of coffee with you or take you to lunch.

Until then...keep being the best real estate professionals in the world! You are an awesome group of people. You have enriched my life beyond measure, and I thank you for that.

I wish you all the best.

Pat

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Commission Welcomes New Commissioner Melody O. Davis

The Alabama Real Estate Commission is pleased to announce the Alabama senate confirmation of Melody O. Davis to the Commission. Congratulations to Commissioner Davis who is currently serving in the seventh Congressional District. Her term is effective through September 30, 2024.

Commissioner Davis has more than nineteen years in the real estate industry and is the owner and qualifying broker of Melody and Company Realty Professionals in Reform, Alabama. She is active in the West Alabama community and currently serves on the Economic Development Board in her hometown of Reform. Commissioner Davis has been recognized as Business Woman of the Year by the Women's Council of REALTORS® in Tuscaloosa, Alabama; has served as a member of the board of directors for the Tuscaloosa

Chamber of Commerce; and has completed the Sam Walton Institute for Leaders. She also holds the Accredited Buyer's Representative (ABR®) REALTOR® designation, which is for real estate buyer agents who focus on working directly with buyer-clients at every stage of the home-buying process.

In addition to her professional duties and community service, she enjoys spending quality time with her daughter, Kiara, and her three grandchildren Madison, Makenzy and Kasen.

Commissioner Davis has expressed a love for helping Alabamians to become homeowners and that she welcomes the opportunity to work with colleagues in the industry by serving as a Commissioner for the Alabama Real Estate Commission.



Report from Broker Supervision Task Force

Last spring, Commissioners appointed licensees from each Congressional District to participate in reviewing, researching and recommending changes to the broker requirements, which are in Section 34-27-32 of the License Law. The focus of the task force included continued protection of consumers while acknowledging new business models. Below is a synopsis of recommendations the group has made to the Commission after several months of meetings and discussions based on research and practice.

- The task force recommended to the Commission that the broker experience requirement be increased from having held an active license for 24 of the 36 months immediately preceding the date of application to 48 of the 60-month period immediately preceding the date of application.
- Increase the time for a licensee to be a temporary broker due to the death or disability of the qualifying broker from one year to four years.
- Develop a list of duties for qualifying brokers to post to the Commission's website.
- Develop an outline or course for a 3-hour CE course for qualifying brokers in order to provide specific education for them.

The Commission expresses appreciation to task force members Andrea Kaiser-Shilston (Gulf Shores), Brian Sparks (Birmingham), Yvonne Rinehart (Tuscaloosa), Amy Brown (Dothan), Scott Edmondson (Cullman), Steve Cawthon (Huntsville), Carol Andrews (Montgomery), David Skinner

(Birmingham), Reid Cummings (Mobile), Danny Sharp (Dothan), Carole Harrison (Auburn), and Vaughn Poe (Eutaw).

The recommendations in the first two bullets will require a law change. These recommendations have been sent to the leadership of Alabama Association of REALTORS® (AAR) for their review. Legislation will be drafted and submitted to the Alabama State Legislature for passage.



Report from RECAD Task Force

Last spring, Commissioners appointed licensees from each Congressional District to participate in reviewing, researching and recommending needed changes to the Real Estate Consumer's Agency and Disclosure (RECAD) statute which is in License Law from Section 34-27-80 – Section 34-27-88. The overriding goal of the task force was to ensure protection for consumers while recognizing changes in the way real estate is practiced across the state. Below is a synopsis of recommendations the group has made to the Commission after several months of meetings and discussions based on research and practice.

Language to be Added

- Designated Single Agency – Change RECAD to allow for designated single agency which is when one agent in a company represents the seller and another agent in the same company represents the buyer without it being a dual agency situation.
- Dual Agency: Change definition to be only when a licensee represents both buyer and seller, i.e., a me-op
- Change the name transaction broker to transaction facilitator.
- The offer to purchase that currently appears in Section 34-27-8 should be moved to RECAD to Section 34-27-82(h) and amended to reflect new changes to RECAD.

- Definition of **imputed** knowledge added and then stated in the definition of designated single agency that neither the qualifying broker nor licensees involved in a transaction where there is designated agency shall be assumed to have **imputed** knowledge.
- Wording changes for clarification. As an example, brokerage firm is changed to real estate company.

Language to be Removed

- Sub Agency as it is no longer relevant.
- Limited Consensual Dual Agency (Dual Agency would still exist for me-ops.)

The Commission expresses grateful appreciation to task force members Jim Dye (Birmingham), Randy McKinney (Gulf Shores), Mary Ann Scott (Decatur), Wilson Moore (Tuscaloosa), Lee Harris (Auburn), Michelle Talbot Rogers (Mobile), Cindy Dyer (Cullman), Mark Caudell (Albertville), Peyton Norville (Birmingham), Cindy Denney (Tuscaloosa), Em Barran (Decatur), Joyce Harris (Selma) and Susan Smith (Ft. Payne).

All recommendations are currently being reviewed by the leadership of Alabama Association of REALTORS® (AAR). Legislation will be drafted and submitted to the Alabama State Legislature for passage.

Alabama Real Estate Commission Contingency Plan for COVID-19

April 2, 2020

IMPORTANT NEWS REGARDING EXTENDED CE DEADLINE



Due to the disruption in continuing education (CE) course offerings because of COVID-19, the deadline for completing the required CE to obtain or maintain an active real estate license for the upcoming license renewal period has been extended to December 31, 2020. This extended deadline applies to any CE credit courses taken by licensees as well as the method by which the courses are taken. It applies to both classroom and distance education courses. Failure of active licensees to complete the 15-hour CE requirement by December 31, 2020, will result in renewed licenses being placed on inactive status as of January 1, 2021.

PLEASE NOTE: The license renewal payment deadline has not changed.

Alabama real estate commissioners and team members take the environment caused by the invasion of the coronavirus disease seriously and will continue to monitor ways in which the Commission can address the needs of licensees and the public. The Commission's website, arec.alabama.gov, will be updated as additional information becomes available.

KEEP CURRENT WITH YOUR CONTACT INFORMATION 

Have you moved?
Make sure your:

-  Residence Address
-  Business Address
-  Email Address
-  Phone Number

is correct with the Commission!

To log in to Online Services, go to: arec.alabama.gov

Update your information:
ONLINE SERVICES
[Online Services Login](#) 

The Commission must be notified within **30 days** of the change.
Section 34-27-35(h)





I Don't Understand Course Evaluations

The Commission has received numerous calls from licensees asking about the course evaluation option that can be accessed when checking prelicense, post license, and CE course credit. All courses provide an opportunity for a course evaluation to be completed by licensees when the course credit has been submitted by the course provider. To access the course evaluation, all you have to do is log in to the Available Services area of the Commission's website and select the link that allows you to see your education history.

When looking for the opportunity to evaluate a course on the Commission's website, please keep the following in mind:

1. A course evaluation is not required. It is simply an opportunity for a licensee to share an evaluation with the Commission, who values your perspective and finds it beneficial.
2. A course evaluation will not be seen by an instructor. Therefore, someone who is concerned about an instructor's reaction to a negative evaluation has nothing to worry about when that evaluation is completed on the Commission's website.
3. The opportunity to evaluate a completed course is **only** available for 30 days following the end date of the course. The opportunity to submit an evaluation ends after the 30 days.

SALESPERSON PRELICENSE – 60 HOURS	60	02/18/2020	Evaluation expires in 30 days.
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4. The decision to not evaluate a course will not affect the course credit. The course evaluation expires after 30 days but the course credit does not expire. As long as you can see the course title and information, you will receive credit for that course.

TRANSACTIONDESK ESSENTIALS	3	05/01/2019	Evaluation Expired
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5. The Commission's course evaluation is not the same as distance education (online) course evaluations or classroom course evaluations supplied by schools. Those evaluations are sent directly to the course provider. The Commission's course evaluation is the only one accessible to the Commission.

Please take advantage of the Commission's course evaluations when you check your course credit on our website. Both positive and negative evaluations provide beneficial information for us regarding the quality of real estate courses being offered.



Is Writing a "Bad Check" to the Commission Really a Big Deal?

Yes, it is a very big deal. Section 34-27-36 of License Law sets forth the violations that may result in a formal complaint being filed against a licensee. Specifically, Section 34-27-36(a)(16) explains that it is a violation to present "to the Commission, as payment for a fee or fine, a check that is returned unpaid." This applies to all checks paid, including those paid through Alabama Interactive. In addition to a formal complaint being filed against a licensee, Administrative Rule 790-X-3-.02 allows the Commission

to "charge a fee for a check, draft or other negotiable instrument returned to the Commission unpaid up to the maximum amount allowed by Section 8-8-15 *Code of Ala. 1975*," which is \$30.

Unfortunately, this violation, which can so easily be avoided, results in the most formal complaints being filed against licensees. Often, when faced with this violation, licensees will allege that their bank made the "mistake." In most cases, unless a letter is presented from the bank admitting that a mistake was indeed

made, a formal complaint will be filed. Eight formal complaints for issuing bad checks were presented to the Commission in the past five months. All were found guilty. The punishment included fines ranging from \$150 to \$1,000. One complaint resulted in a revocation. The difference in fines was due to individual circumstances surrounding the bad check and some were repeat offenders. Simply by ensuring that checks are written from correct accounts with appropriate funding can save you from this costly mistake.

(Continued on page 6)



DISCIPLINARY ACTIONS

Penalties for violations of the Real Estate License Law and Commission rules vary depending upon the particular facts and circumstances present in each case. Due to space limitations in The Update, a complete description of the facts cannot be reported below.

DISPOSITION

The below were found guilty of violating Section 34-27-36(a)(16) for 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.

Jessie Escott

License No. 000067193

Salesperson; Hoover, Alabama

Date of Hearing: October 24, 2019

Fined \$510

Robyn Richelle Galloway-Robinson

License No. 000126033

Salesperson; Columbus, Georgia

Date of Hearing: October 24, 2019

Fined \$250

Kristin Caldwell

Pre-License Registration No. 000125226

Birmingham, Alabama

Date of Hearing: November 21, 2019

Fined \$750

DISPOSITION

The below was found guilty of violating Section 34-27-36(a)(19) by failing to comply with Section 34-27-34(a)(2) in her failure as qualifying broker to see that all transactions of the licensee complied with the Alabama Real Estate License Law.

Stacy Burgos Rodgers

License No. 000103760; 000103760-1; 000103760-2

Qualifying Broker; Daphne, Alabama

Date of Hearing: September 26, 2019

Fined \$500

DISPOSITION

The below was found guilty of violating Section 34-27-6(g) by failing to comply with Commission Rule 790-X-1-.15(1) which states, "No administrator and no instructor shall make, or cause to be made, any statement, or repre-

sentation, oral, written, or visual in connection with the operation of a school or the offering of a course, if such person knows or reasonably should know the statement or representation to be false, inaccurate, or misleading."

Chloe Lorenz

License No. 000120844

School Administrator; Waukesha, Wisconsin

Date of Hearing: October 24, 2019

Fined \$2500

DISPOSITION

The below was found guilty of violating Section 34-27-6(g) by failing to comply with Commission Rule 790-X-1-.17(1)(b) by failing to ensure that all advertising complies with the laws and rules that govern advertising, specifically Commission Rule 790-X-1-.15(1).

PDH Academy of Real Estate

License No. 000121145-0

Real Estate School; Waukesha, Wisconsin

Date of Hearing: October 24, 2019

Fined \$2500

DISPOSITION

The below were found guilty on Counts 1 and 2 of violating Section 34-27-36(a)(8)(a) by failing, within a reasonable time, to properly account for or remit money coming into their possession that belonged to others and guilty on Count 3 of violating Section 34-27-36(a)(19) by failing to comply with Commission Rule 790-X-3-.03 in that Helms was not listed as a signatory on the trust account signature card.

James H. Helms, Jr.

License No. 000042236-0; 000042236-1

Qualifying Broker; Arab, Alabama

Date of Hearing: November 21, 2019

Count 1 – License Revoked

Count 2 – License Revoked

Count 3 – Fined \$500

Premiere Management Service Inc.

License No. 000054178

Company; Arab, Alabama

Date of Hearing: November 21, 2019

Count 1 – License Revoked

Count 2 – License Revoked



OCTOBER 2019 – JANUARY 2020

APPLICATION FOR LICENSURE

(Includes Applications for Temporary Salesperson, Original Salesperson or Broker, or Reciprocal licenses.) These numbers represent persons who have come before the Commission requesting hardship extensions to renew licenses, complete exams or submit applications past the deadline. They also represent those who request applications for change in status (e.g. salesperson to broker).

APPROVED 12
DENIED..... 9

DETERMINATION OF ELIGIBILITY

(Applications for Licensing Eligibility Determination)
 These numbers represent persons who have come before the Commission requesting approval to be licensed, mainly persons who have criminal prosecutions show in their criminal background checks. They have an opportunity to explain to Commissioners the circumstances surrounding these incidences and be granted permission to proceed with the licensing process or not, based on the Commissioners’ ruling.

APPROVED 8
DENIED..... 1

COMPLAINTS AND INQUIRIES HANDLED BY LEGAL AND INVESTIGATIVE STAFF

FROM LICENSEES 1,255
FROM PUBLIC..... 548
ANONYMOUS/COMMISSION 35

BROKERS: Complete Online Survey for Company Trust Accounts

by Molli Jones, Accounting and Personnel Director

In the Summer 2019 Update article “Procedure Change in Commission Office Audits,” it was stated that the Commission would be sending a survey to all companies and qualifying brokers to determine whether companies hold trust account monies.

We are happy to announce that the survey is now available on our website. Qualifying brokers should go to the Commission’s website, arec.alabama.gov, log in to Online Services, and find the survey listed as one of the

links to choose to answer a few questions regarding trust funds for their companies. Qualifying brokers will not be asked for a lot of detail concerning their trust funds. We need to know if you hold trust fund monies or if a third party holds the money, and the number of trust fund accounts used by your company.

If you have questions or need assistance, please call Molli Jones or Brett Scott at 334-242-5544.

BRIEFLY LEGAL *continued from page 4*

There was a time in Commission history when all fees had to be paid with a certified check or money order. Therefore, there were no bad checks then. And then one day a Commissioner said, “We should not put everyone to the trouble of getting certified funds or money orders. Besides, a real estate licensee would not write a bad check to the Real Estate Commission!” Hence

the law was changed to allow personal and company checks. The number of licensees who have paid a fee with a bad check is now in the hundreds. Please pay attention and be very careful not to pay a fee with a check that will be returned for insufficient funds. If you have any questions, please feel free to call Starla or Mandy at 334-242-5544.





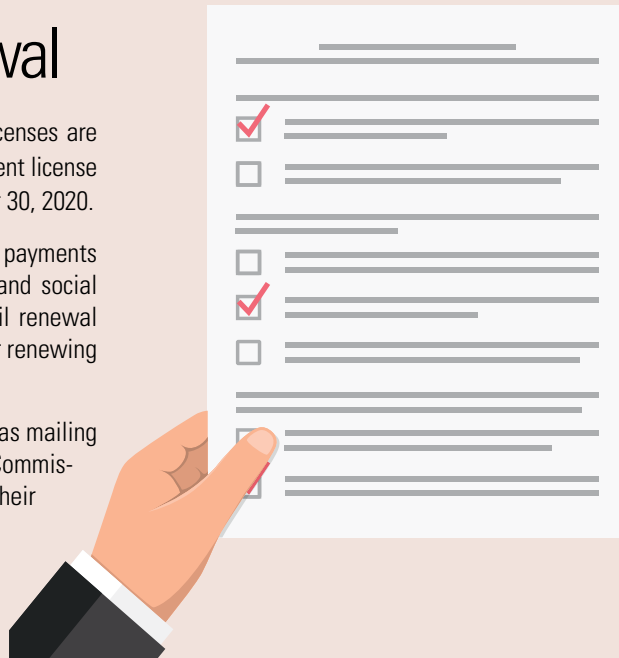
Gear Up for the Upcoming Renewal

Licensees are already contacting the Commission asking when their licenses are due for renewal. As an early reminder, the deadline to renew your current license without penalty will be August 31, 2020 and licenses expire September 30, 2020.

On or about June 15, 2020 the Commission will start accepting renewal payments online and by mail. We will notify licensees around this time by email and social media that their licenses can be renewed. In mid-July 2020 we will mail renewal postcards to those who have not renewed informing them of the options for renewing and the deadlines associated with renewing.

Therefore, now is a good time to ensure all your contact information, such as mailing address, email address and phone numbers are accurate. Please help the Commission by reminding your fellow licensees to ensure the Commission has their current contact information on record.

Temporary salesperson licenses are not renewable; therefore, if you have a temporary salesperson license and you can maintain that license after September 30, 2020 you will not have to renew your license in 2020.



Remember, Temporary Salespersons Can Apply for Original Salesperson Licenses Online

If you have a Temporary Salesperson license, or if you know someone who does, remember Temporary Salesperson licensees can apply for their Original Salesperson licenses on the Commission's website, arec.alabama.gov.

As addressed in Section 34-27-33, Rule 790-X-1-.06, and Rule 790-X-2-.03 of Alabama License Law, all licensees with a temporary salesperson license must complete the 30-hour post license course and apply for an original salesperson license before the end of the one-year period, even if they plan to be on inactive status.

To get started, click Online Services Login and complete the login procedure. Choose Salesperson Original Application from the list of available options. You will see your license number, status (active or inactive), your name as it appears on your license, and the name of the company you are currently licensed with—if you are active.

Next, you will see one of the following options from which to choose, depending on whether your license is active or inactive:

1. Receive your Original Salesperson license and remain with your current company.

2. Issue your Original Salesperson license and have it held on inactive status.
3. Receive your Original Salesperson license and transfer to another company.

OR

4. Receive your Original Salesperson license and activate with a company.

After selecting one of these options you can click NEXT to go to the payment screen to pay your license fee. Once you receive a confirmation that your payment has been successfully processed, your active license will be available for printing by your qualifying broker within 24 hours. If you have your license issued on inactive status, the Commission will hold your license until you decide to activate it.

This online application is one more way the Commission strives to provide greater service to licensees and consumers. If you have questions about applying for your Original Salesperson license or other licensing questions, please contact our Licensing Division.

THE UPDATE

ALABAMA REAL ESTATE

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EMPOWER, CONNECT, AND EDUCATE



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CONNECT Connecting the real estate professional and consumer to the resources they need.



EDUCATE Educating the real estate professional and the consumer.

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THE UPDATE

is published for the benefit of the Alabama Real Estate Industry by the Alabama Real Estate Commission.

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 website at **arec.alabama.gov**.

REAL ESTATE LICENSES EXPIRE SEPTEMBER 30, 2020

Remember to renew all broker, salesperson, and company licenses in every even-numbered year.

Presort Standard
U.S. Postage
PAID
Montgomery, AL
Permit 286

Watch for License Renewal Postcards from the Commission

This is a license renewal year! In mid-July 2020 the Commission will mail **renewal postcards** informing those who have not renewed of the options for renewing and the deadlines associated with renewing.

The next issue of *The Update* newsletter will be available this summer. It will be your guide for everything you need to know about your license renewal – watch for it.

