

## MINUTES

A meeting of the Alabama Real Estate Commission was held November 18, 2015, at the offices of the Alabama Real Estate Commission, 1201 Carmichael Way, Montgomery, Alabama.

Those present were Chairman Bill Watts; Vice Chairman Carole Harrison; Commissioners Steve Cawthon, Reid Cummings, Cindy Denney, Clif Miller, Dorothy Riggins-Allen, Danny Sharp and Nancy Wright; Executive Director Patricia Anderson; Assistant Executive Director Teresa Hoffman; General Counsel Chris Booth; Assistant General Counsel Mandy Lynn; Education Director Ryan Adair; Licensing Administrator Anthony Griffin; and Investigators David Erfman, Chuck Kelly, Phil Bunch and K. C. Baldwin. The Hearing Officer was Tori Adams.

Other staff members in attendance for all or part of the meeting were Public Relations Manager Vernita Oliver-Lane; Public Relations Specialist Lori Moneyham; Accounting and Personnel Director Molli Jones; Information Technology Manager Brett Scott; and IT Systems Specialist Steven Brown.

The meeting, having been duly noticed according to the Alabama Open Meetings Act, was called to order at 9:00 a.m. by Chairman Bill Watts and a quorum was declared.

Commissioner Wright made a motion to approve the minutes from the October 22, 2015 meeting. Commissioner Miller seconded the motion and it passed unanimously 9-0.

Executive Director Patricia Anderson introduced Jim Hampton who will alternate hearing officer duties with Tori Adams beginning in 2016. Mr. Hampton is currently in private practice although he started his career with the Attorney General's Office. Additionally, he has many years of experience as a hearing officer with other Alabama licensing boards.

Ms. Anderson presented the October 31, 2015 financial report. Renewal revenue that was set aside for FY2016 has been transferred from investments into the Commission's operating fund. Expenditures appear to be significantly under projections partly due to issues with the new State of Alabama Accounting and Resource System (STAARS) that are hindering prompt payment of vendor invoices. Revenues appear under projection because some renewal funds were placed into the Commission's proportionate fund. Commissioners were provided with a report showing the quarterly payments that were made to the Alabama Center for Real Estate in FY2014 and FY2015.

An update on the 2013-2017 Strategic Plan will be made available on the Commissioners' website prior to it being discussed in early 2016. This update will show the progress that has been made on the goals that were outlined in the strategic plan.

Education Director Ryan Adair reported on the visits that education staff members have recently made to colleges, universities and community colleges that offer prelicense real estate courses. These visits were scheduled to address the Sunset Audit finding regarding low salesperson examination passing rates and to establish relationships with those involved in the real estate programs at the universities. Also during their visits, Mr. Adair and education auditors had opportunity to address the students regarding the role of the Commission, examination requirements and available resources. To date, visits have been made to the University of Alabama, Tuskegee University, Wallace

State Community College, Auburn University and Shelton State Community College. Plans are being made to visit the University of South Alabama and the University of North Alabama.

Chairman Watts introduced Birmingham, Alabama associate broker and real estate instructor Ginny Willis. Ms. Willis addressed the Commission regarding the Real Estate Consumers Agency Disclosure Act (RECAD) and the lack of understanding of the Act among real estate licensees. She recommended that the Commission reconsider requirements for the Risk Management courses by requiring all salespersons to take the *Risk Management for Salesperson's* course instead of allowing them the option to take the *Risk Management for Broker's* course. She also recommended that Commissioners consider legislation to include designated agency as a representation choice and to change parts of the law that by their nature, require licensees to act as dual agents in some transactions.

Commissioner Wright provided a report from the Homeowners Association (HOA) Education Task Force. The task force, comprised of Commissioner Wright as task force chairman, Commissioner Denney and Commissioner Riggins-Allen, met on October 22 and November 18. They offered the following education initiative recommendations to Commissioners: Include appropriate articles in *The Update* newsletter regarding Act 2015-292; include HOA information in the required Risk Management continuing education courses; develop a home buyers' and home sellers' guide(s) for consumers that will contain information about HOAs as well as other beneficial information; place the home buyers' and home sellers' guides on the Commission's website; and send an email to qualifying brokers making them aware of the new registration and document posting requirements for HOAs and the searchable database on the Alabama Secretary of State's website. Commissioner Wright presented a motion from the task force to approve the education initiatives as proposed by the HOA Education Task Force. The motion passed 9-0.

During the HOA Education Task Force report a related but separate matter was discussed. This was the concern over what guidance to give licensees who are struggling to comply with the License Law requirements to provide estimated and final closing costs in light of the new TILA-RESPA rules. General Counsel Booth recommended that should a question arise regarding proper disclosures of financial information the Commission would review not only the letter of the law but the efforts of licensees on their client's or customer's behalf. He recommends to licensees that they document these efforts carefully. The situation will be monitored to determine if future changes are needed in law or if the Consumer Financial Protection Bureau offers guidance or changes that would be helpful.

Commissioner Cummings made a motion to conduct disciplinary hearings disposition discussions and decisions in an Open Meeting. Commissioner Miller seconded the motion and it passed unanimously 9-0.

HEARINGS

**Clarence P. Evans Jr., Denied Applicant for Continuing Education Instructor Status, Investigative File I-14,700**

Upon discussion of the testimony presented by Mr. Evans regarding his application for education instructor, Commissioner Cummings made a motion to approve his application. Commissioner Cawthon seconded the motion and it passed unanimously 9-0.

**Larry B. Read, Denied Applicant for Prelicense and Post License Instructor Status, Investigative File I-14,678**

Upon discussion of the testimony presented by Mr. Read regarding his application for education instructor, Commissioner Cummings made a motion to deny his application. Commissioner Sharp seconded the motion and it passed 8-0. Commissioner Wright abstained.

**Cynthia Ragland, Request to be Relicensed After Revocation, Investigative File I-14,695**

Upon discussion of the testimony presented by Ms. Ragland regarding her request to be relicensed after revocation, Commissioner Miller made a motion to approve her request. Commissioner Riggins-Allen seconded the motion. The motion failed 2-6 with Commissioners Miller and Riggins-Allen voting for the motion and Commissioners Cummings, Cawthon, Harrison, Wright, Sharp and Denney voting against the motion. Commissioner Watts abstained. Commissioner Harrison made a new motion to deny Ms. Ragland's request. Commissioner Cummings seconded the motion and it passed 5-3 with Commissioners Harrison, Cawthon, Wright, Sharp and Denney voting for the motion and Commissioners Cummings, Miller and Riggins-Allen voting against the motion. Commissioner Watts abstained.

**Jessie Escott, Hardship Request for Renewal of Lapsed Salesperson's License, Investigative File I-14,690**

Commissioner Watts recused himself from Ms. Escott's hearing. Commission Vice Chairman Harrison presided over the hearing and the deliberations.

Upon discussion of Ms. Escott's hardship request for renewal of her lapsed salesperson's license, Commissioner Riggins-Allen made a motion to approve her request pending the completion of all required courses and the payment of all required fees. Commissioner Cummings seconded the motion and it passed 6-2. Commissioners Cawthon and Harrison voted against the motion.

REQUEST FOR RULING

**Confirm Next Meeting Date and Location for the Record: January 21, 2016 at 9:00 a.m. in Montgomery**

Commissioner Sharp made a motion to approve the next meeting date as January 21, 2016 at 9:00 a.m. in Montgomery. Commissioner Wright seconded the motion and it passed unanimously 9-0.

There being no further discussion, the meeting adjourned at 11:26 a.m.

Done this 18<sup>th</sup> day of November, 2015.

---

Bill Watts, Chairman

---

Lori Moneyham, Recording Secretary