



Continuing Education in the License Period 2005-2006

By D. Philip Lasater, Executive Director

TALE OF TWO (2) RULES

To comply with continuing education in this license period all active licensees subject to CE will complete three (3) hours in Risk Management and twelve (12) hours in approved electives.

The CE credit earned by a licensee will be sent electronically to the Commission. Paper certificates obtained from courses during the 2003-2004 license period should be maintained for audit. But after October 2006 it is no longer necessary to maintain paper certificates for proving CE credit.

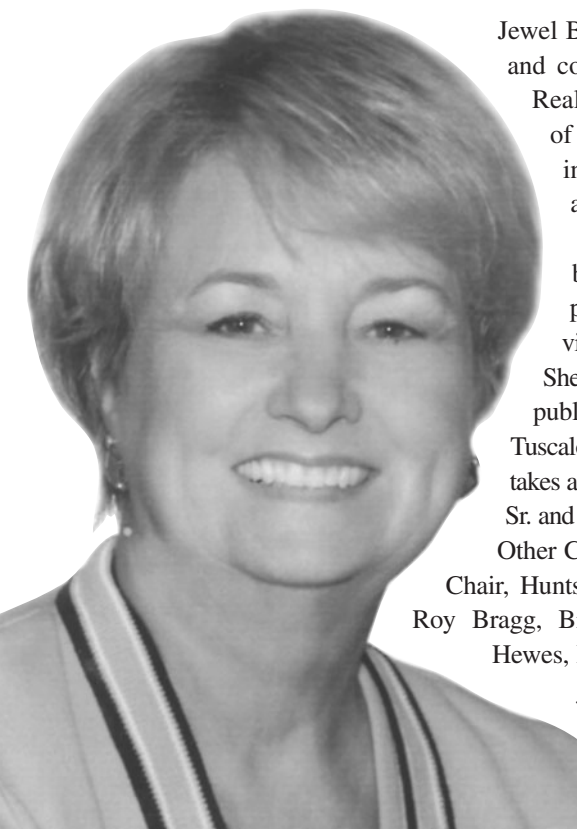
- **RULE 1:** The Real Estate Commission has contracted with the Alabama Real Estate Research and Education Center to revise the Risk Management Course. Instructors approved to teach Risk Management have completed a six hour training course in Auburn on October 21. To review the range of approved elective courses please reference page 60 of the 20th edition revised *Alabama License Law Rules and Regulations*, Rule 790-X-1-.11(6).
- **RULE 2:** Beginning in the 2005-2006 license period, CE credit will be transmitted by the instructor to the Commission. This was established by a different set of rules regulating instructors. CMap (Course Management Application Program) is how course and credit data will be managed. It is important and necessary for licensees to be able to provide their license number to the instructor when attending a course. (See article CMap-Course Management Application Program: Course Schedules and Licensee Course Credit Now Online! by Pat Anderson in this issue.)

License law establishes that for renewal of an active license a licensee must complete fifteen (15) hours each two-year license period. The Commission is given the authority by law to develop standards for course approval. The specific requirements relating to course content and approval are accomplished by Rule. The Commission follows the Administrative Procedures Act in proposing, amending and adopting Rules which have the force of law. Rules do not create law but elaborate or complete understanding about the laws application and compliance.

How did the CE requirement become three hours Risk Management and twelve hours approved elective? Anyone taking CE for the last few license periods will realize there is a change

(Continued on page 2)

Welcome New Commissioner Jewel Buford



Jewel Buford has been appointed by Governor Bob Riley and confirmed by the Senate to serve on the Alabama Real Estate Commission. The Commission is made up of nine members. Commissioner Buford began serving a five-year term from the Seventh Congressional District on October 1, 2004.

Since 1989 Jewel Buford has been in the real estate business. Her work experience includes being a salesperson and broker/owner of Buford's Real Estate Services and JB Referral located in Northport, Alabama. She was born in Gordo, Alabama and attended Gordo public schools and Shelton State Technical School. Tuscaloosa has been her home for the past forty years and she takes a lot of pride in the area. She is the wife of Jim Buford, Sr. and they have three children and ten grandchildren.

Other Commissioners currently serving include Bill Poole, Chair, Huntsville; Gordon Henderson, Vice Chair, Albertville; Roy Bragg, Birmingham; Thomas Hays, Birmingham; Robert Hewes, Dothan; Sheila Hodges, Gulf Shores; Lyman Lovejoy, Odenville; and Chester Mallory, Montgomery.

In This Issue

Briefly Legal:	
When You Change Companies . . .	2
Directory of Commission Staff . . .	3
Education Corner:	
CMap-Course Management Application Program—	
Course Schedules and Licensee Course Credit Now Online!	4
New Education Specialist	4
Post License Course Task Force Completes Project	5
Disciplinary Actions Taken	6
Risk Management Course is Brand New!	6
Pat Anderson Named Assistant Executive Director . . .	7
2005 Office Closings	8

BRIEFLY LEGAL**WHEN YOU CHANGE COMPANIES***By Charles R. Sowell, General Counsel*

Salespersons and associate brokers often move from one company to another. We call these moves transfers, and charge the \$25 fee set out in Section 34-27-34(b) Ala. Code. We also require that the registration form be completed, signed, and submitted with the transfer fee. This form can be downloaded under "Forms and Applications" at our Web site www.arec.state.al.us.

That stuff is not what this article is about. This is about the complications that come with moving from one company to another. Specifically, I am referring to what happens to listings and pending sales. Let me give you a hint: You cannot call and ask me or anyone else at the Commission office what happens to your listings and pending sales. Our answer is this is not a license law question. This is something that must be taken care of before the transfer happens, and if not, it has to be worked out afterwards. The key is that both the old and new qualifying brokers must get on the same page. Our expectation is that consumers not get caught in the crossfire.

Let's take listings first. A good independent contractor's agreement between the salesperson/associate broker (agent) and the qualifying broker might address this issue. Most do not. Some qualifying brokers have an office policy that spells out what happens. Many do not. If this is not addressed in either place, then we have to begin with the principle that the listing does not "belong" to the agent. The listing is the property of either the qualifying broker, or the company, depending upon the terms under which the broker is engaged by the company. This means the old qualifying broker must agree to release the listing owner from the listing

agreement before it can be moved over to the new company. It is much better for everyone if this can be understood by everyone before the transfer takes place.

Pending sales contracts are a bit different. They are sometimes dealt with in the independent contractor's agreement or office policy, but usually not. The contract can be said to "belong" to the listing and selling agency in the sense that these agencies are entitled to their sales commissions. They also have obligations to the seller and buyer that must be fulfilled to get the closing done. It is imperative that the old qualifying broker and the new qualifying broker agree on how pending sales are going to be handled. They also must agree on how the transferring agent is going to be compensated, if compensation is due.

Qualifying brokers: Please get your policies on these issues in writing. Make sure your agents understand. **Agents:** Understand your company's policies on these issues. Do not run out and have listing owners and parties to other contracts execute new ones until you have complied with your office policy. Explain to the consumers what your office policy is, and what your transfer will mean to them.

There is one more thing. The transferring agent must take care to avoid a violation of Section 34-27-36(a)(13.) That is the section of the license law that prohibits inducing a party to a contract to break the contract to substitute another contract for the personal gain of the agent. Remember, a listing agreement is a contract just the same as a sales contract. Contracts are at the heart of the real estate business, and must be honored by licensees and consumers alike. These situations get really messy sometimes. If consumers get caught in the crossfire, we are going to be looking at you. Be a part of the solution, not the problem. ■

Continuing Education Rules...*Continued from page 1*

from what courses have been required in the past. In recent license periods licensees have had to take License Law, RECAD, Fair Housing, and Risk Management or a combination of two of those courses plus electives. There was terminology of both required and mandatory used in relation to a portion of the hours within the total of the overall required fifteen. This proved to be

confusing to many based on comments and reports. Commissioners were very aware of a lively undercurrent of conversation from many licensees about not just what should be required but also the quality or the lack thereof that many licensees felt they experienced in CE courses.

It was in large part a response to these several factors that in April of 2004 Commissioners proposed a rule change that would make all CE courses elective. By making all CE courses elective, Commis-

sioners believed instructors should have the opportunity to develop courses from approved real estate related subject matter. The predominant comments reaching Commissioners were those of weariness with the same subject matter every license period. This was an opportunity Commissioners were prepared to allow so that good courses, well offered, could rise to the top in competitive fashion. It would have also eliminated the unending confusion about

(Continued on page 7)

Directory of Commission Staff

ALABAMA REAL ESTATE COMMISSION
 1201 Carmichael Way • Montgomery, Alabama 36106
 Telephone 334.242.5544 • Fax 334.270.9118 • TTY 334.396.0064
 Monday-Friday 7:30 a.m.-4:30 p.m. CST

ADMINISTRATIVE



D. Philip Lasater . . . Ext. 402
 Executive Director
 plasater@arec.state.al.us



Pat Anderson Ext. 405
 Assistant Executive Director
 anderson@arec.state.al.us



Melissa Floyd Ext. 400
 Receptionist
 floyd@arec.state.al.us



Angela Slade Ext. 437
 Executive Assistant
 angela.slade@arec.state.al.us



Anna Streeter TTY
 Clerical Assistant
 allen@arec.state.al.us

ACCOUNTING



Janie Jordan Ext. 406
 Business Accounts Supervisor
 rjordan@arec.state.al.us



Cullene Sanders . . . Ext. 415
 Accounts Payable
 sanders@arec.state.al.us



Hattie Thomas Ext. 414
 Accounts Receivable
 thomas@arec.state.al.us

INFORMATION TECHNOLOGY



Nancy Barfield Ext. 423
 IT Manager
 barfield@arec.state.al.us



Steve Brown Ext. 428
 Computer Technician
 steve.brown@arec.state.al.us



Brett Scott Ext. 426
 Assistant IT Manager
 bscott@arec.state.al.us



Zan Thomas Ext. 424
 Programmer
 zthomas@arec.state.al.us

EDUCATION



Ryan Adair Ext. 434
 Education Specialist
 adair@arec.state.al.us



David Bowen Ext. 432
 Education Specialist
 david.bowen@arec.state.al.us



Gloria Ingram Ext. 438
 Education Assistant
 ingram@arec.state.al.us



Karen Spencer Ext. 433
 Education Assistant
 karen.spencer@arec.state.al.us

LEGAL



Charles Sowell Ext. 403
 General Counsel
 csowell@arec.state.al.us



David Erfman Ext. 410
 Chief Investigator
 derfman@arec.state.al.us



Chuck Kelly Ext. 411
 Investigator
 kelly@arec.state.al.us



Denise Blevins Ext. 412
 Auditor
 arec@arec.state.al.us



Anthony Brown Ext. 412
 Auditor
 arec@arec.state.al.us



Vickie Shackelford . Ext. 412
 Auditor
 arec@arec.state.al.us



Latonya Hicks Ext. 409
 Legal Assistant
 latonya.hicks@arec.state.al.us

LICENSING



Annie Hall Ext. 421
 Licensing Supervisor
 ahall@arec.state.al.us



Marilynn Pressley . . Ext. 425
 Licensing Assistant
 pressley@arec.state.al.us



Rose Stephens Ext. 418
 Licensing Assistant
 stephens@arec.state.al.us



Princess Scott Ext. 401
 Licensing Assistant
 pscott@arec.state.al.us

PUBLIC RELATIONS



Vernita Oliver-Lane . . Ext. 427
 Public Information Specialist
 voliver@arec.state.al.us

BUILDING MAINTENANCE



Floyd Garber
 Custodian

EDUCATION CORNER

CMap – Course Management Application Program Course Schedules and Licensee Course Credit Now Online!

By Pat Anderson, Assistant Executive Director

You can now check course schedules and your own course credit on the Commission’s Web site at www.arec.state.al.us. On October 1st, instructors began electronically reporting credit for completion of prelicense, post license and continuing education courses. Licensees can now check course credit on the Commission’s Web site by looking under “Quick Links” and clicking on “CMap.” For viewing credit earned, each licensee will access his or her own record with a screen that looks like the first

screen for online renewals. Put in your license number, last four digits of your social security number, and date of birth. As a note, the date of birth must contain two digits for month, two for day and four for year of birth. It will not work any other way! Once your record appears, you can check to see which courses have been reported to the Commission. Please give instructors about two weeks after course completion to report your credit. If you do not see it by that time, a recent change in Rule 790-X-1-.12(7) makes it the licensee’s responsibility to contact that instructor or school and have your credit reported properly. Remember, if it does not show on the Commission’s Web site, the Commission does not have it and you do not have credit!

Once you access your record to check your CE credit, you can also submit a course evaluation. Next to the course you completed is a button labeled, “Evaluate this Course.” You will have this option for thirty days after you complete the course. The instructor in each class must provide detailed instructions on this procedure to students.

Checking Course Credit on CMap:

Continuing Education—Only credit earned for the next license renewal period (credit due by September 30, 2006) will be electronically reported and will appear on the Web site. For licensees taking courses to activate the 2005-2006 license, you will still receive a certificate of completion. Those certificates must be kept in your file and made available for Commission audit until October 1, 2006. After that, you may dispose of them. As a note here, all licensees who have completed courses for renewal of the current license must keep certificates of completion until October 1, 2006. Random audits will be performed until then.

Post License—Completion of the post license course will be posted to the Web site. Courses completed between October 1, 2004 and September 30, 2006 will satisfy continuing education requirements for license renewal in 2006. Temporary salespersons must take the post license course in order to have an original (permanent) license issued, but any licensee may take the post license course in order to meet continuing education requirements.

Prelicense—For those who complete the 60-hour prelicense course in order to meet requirements to sit for the salesperson’s examination, that credit will NOT be reported on the Web site since it can not count as continuing education credit. Persons who are not licensed can not earn continuing education credit. Those who complete the 15-hour broker’s prelicense



New Education Specialist

David Bowen came to the Commission in June as an Education Specialist after spending the last six years with Ingram State Technical College. He holds a B.S. degree from Auburn University, a M.S. degree from Alabama State University, and an ED.S. degree from Auburn University. He is currently working to complete his doctorate at Auburn University.

Checking Course Schedules on CMap:

To assist you in locating upcoming prelicense, post license and continuing education courses, instructors are now electronically reporting course schedules to the Commission via CMap. That information is automatically uploaded to the Commission’s Web site. Licensees can view course schedules as described in the first paragraph.

course do earn continuing education credit because those persons hold a real estate license. That credit will be posted on the Web site. Any licensee who completes the 15-hour broker's prelicense course will satisfy the requirements for license renewal in 2006.

Brokers can check their licensees' records on CMap—For purposes of checking continuing education credit, qualifying brokers will have access to the record of each person licensed with their company. To do this, go to "Quick Links" and click on CMap. When you get to the screen that says "Course Credit," it will take you to a screen as described in the first paragraph. Instead of putting in your personal license number, put in the license number of the company and then the last four digits of your social security number and your date of birth. What you will then see on the next screen is everyone in your company who has earned CE



credit along with a way to view their credit. This is an easy way for brokers to keep a check on how everyone is progressing with meeting CE requirements.

Receiving credit for courses taken out of state: Rule 790-X-1-.12(15) in the License Law states that licensees may receive continuing education credit for courses taken in another state which are approved for CE credit by any state. In order to receive credit the licensee is

responsible for sending to the Commission two things: 1) proof that the course is approved by another state along with the number of hours for which it is approved and 2) an appropriate certificate showing successful completion. Commission staff will then enter your CE credit for you into the CMap system so that it will show in your record on the Commission's Web site.

Through vision of your Commissioners, CMap has been developed in an effort to better serve licensees. We hope you find it an easy way to keep up with credit earned. When you learn to use the system, help one of your fellow agents to use it. As stated earlier, it is now every licensee's responsibility to check the Web site after each course and then contact the INSTRUCTOR if your credit is not properly reported. The Commission has no other record of your attendance other than what shows on the Web site. ■

Post License Course Task Force Completes Project

The Commission tapped into the resources of the Alabama Real Estate Educators Association and the Alabama Association of REALTORS® to put together a task force to develop a totally different detailed post license course outline. In October instructors began transitioning their courses to the new outline and after January 1, 2005 they should be fully transitioned and using the new outline for all classes.

The charge the Commission gave to the task force was to make the course transaction based as much as possible. In other words, teach new agents how to work with sellers and how to work with buyers in both client and customer relationships. The result was a much improved course outline consisting of such topics as developing a business plan and prospecting, working with buyers, working with sellers, negotiating offers, what happens from contract to closing, and identifying and avoiding liabilities. This comprises the first twenty-six hours. Three hours are at the discretion of the instructor who may choose to add more time to the topics mentioned or teach three hours in one or more of the following: new construction and writing building contracts, investment property, commercial transactions, technology in real estate, additional financing, farm and land, condos, property

management and resort properties. The final hour is the exam.

The other thing the task force did was to give the course a new name. Its official name is now "Preparing to Use Your Real Estate License."

Another point of interest regarding this outline is that you see it is not conducive to combining new and veteran agents. The post license course is designed solely for temporary salespersons that are new in the industry. After all, the course is "Preparing to Use Your Real Estate License." If any other licensee wishes to take the course for CE credit, the only way to accomplish that is to take the full 30 hours. It will, however, satisfy the 15 hour broker prelicense requirement provided the broker applicant completes Module II "Working with Buyers" and Module III "Working with Sellers."

The Commission wishes to thank the following members of the task force for their dedication of time and talent to this project: Chair Harriett Isaacson, Members Donnis Palmer, Anne Powell, Jeri Gray, Mary Beth Bower, Lynette Glatzer, Ginny Willis, Avery Yarbrough, Cindy Cannon, Emil Ankermiller, Garrett Cannon, AAR staff Phillip Horton, Melissa Martinez and Commission staff Pat Anderson, Ryan Adair and David Bowen. ■

Risk Management Course is Brand New!

As you know from the Commission Executive Director's article, the continuing education requirements are now three hours in Risk Management and twelve hours in approved electives. Over the past few years, licensees have expressed a great interest in the Risk Management course. It is certainly one of the most popular CE courses and you will like it even more now.

The Commission, through the Alabama Real Estate Research and Education Center, contracted with nationally known speaker, educator, author and broker Dianna Brouthers to write a new risk management course. Members of the Alabama Real Estate Educators Association met together last spring to develop topics and a vision for the course. It was widely felt among these broker-educators that the course should be more practical and include information which helps licensees know "what to say and how to act" throughout the steps of the real estate transaction.

Dianna Brouthers, two-time Educator of the Year for REEA (Real Estate Educators Association), has written an exciting and interactive course. Instructors are provided with materials and there is a student manual/workbook that accompanies this course. As in the past, the student manual is required and can be purchased from the Alabama Real Estate Research and Education Center or from your instructor.

Course topics include reasons for lawsuits, property disclosure, agency disclosure, contracts and agreements, fair housing, antitrust, developing a paper trail and safety issues. The course also includes exercises on "What to say when" on most of these topics.

The final version of the course along with all course materials is projected to be ready by January 2005. We trust that you will be pleased with this refreshing approach given to this very important course. ■

DISCIPLINARY ACTIONS TAKEN

June 2004 through August 2004



DISPOSITION

The Commission accepted the surrender of the license of the below based upon her failure to pay the fines due in this case.

Christi M. Harpe

Salesperson
Dothan, Alabama

License Surrendered

Date of Hearing: June 4, 2004

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.

Nicholas R. Noffsinger

Temporary Salesperson
Birmingham, Alabama

Fined \$250

Date of Hearing: July 30, 2004

Kristra O. Scott

Salesperson, Mobile, Alabama

Fined \$250

Date of Hearing: July 30, 2004

Christina Rickey-Krawczyk

Salesperson
Birmingham, Alabama

Fined \$250

Date of Hearing: July 30, 2004

DISPOSITION

The below was found guilty of violating 34-27-31(j) via Section 34-27-36(a)(19) for failing to notify the commission within 10 days after notice of the institution of a civil summons, complaint and criminal prosecution and Section 34-27-36(a)(26) for engaging in conduct which constitutes or demonstrates dishonest dealings, bad faith, or untrustworthiness.

John G. Moss, Jr.

Qualifying Broker
Birmingham, Alabama

License Revoked

Date of Hearing: August 27, 2004

Mr. Moss has appealed to the Circuit Court of Jefferson County. The Court has entered a stay order allowing him to continue as licensed until the appeal is heard.

OTHER ADMINISTRATIVE ACTIONS

Determination for Licensure

Approved 4
Denied 1

Determination of Eligibility

Approved 2
Denied 4

COMPLAINTS AND INQUIRIES HANDLED BY LEGAL AND INVESTIGATIVE STAFF

From Licensees 992
From Public 594
Anonymous 9

COMPANY CHANGE OF ADDRESS DUE TO HURRICANE IVAN

If company relocation is due to Hurricane Ivan, please contact the Alabama Real Estate Commission immediately for important details.

Continuing Education Rules...

Continued from page 2

what was required or mandated in addition to elective options. And it would have been the first time since 1986 that some particular course would not have been prescribed by the Commission in order to comply with the CE requirement.

When a rule is proposed it is done by Administrative Procedures through the Legislative Reference Service. After notice is given for a rule proposal or amendment, interested parties have thirty-five days to submit written comment to the Real Estate Commission and/or appear in person at a scheduled and noticed Public Hearing held specifically on that rule. Commissioners hold these in conjunction with regular meetings. Those present are allowed to say all they care to for Commissioners to consider and answer Commission questions if any. This is how the proposed rule on making all CE courses elective was initiated and proceeded. The Public Hearing was scheduled on June 4, 2004 in Montgomery.

Written comments had been received both in favor and opposition to the proposal. The Public Hearing much like the written comments reflected both favor and opposition to the proposal. Commissioners took the opportunity during the Public Hearing to express their motivation for the proposal and engaged those who spoke in opposition to better understand the depth and strength of their feelings. Though the Commission could have made a final decision that day, it had ninety days to make a final decision. The next meeting had been scheduled for July 30 in Mobile. It was after consideration of all the comments both written and those presented orally had been factored that Commissioners amended its proposal of all CE courses being elective to all elective except for three hours in Risk Management. The comment period and Public Hearing produced such a strong request for the modification of the rule that Commissioners heard and responded.

By adopting the amended proposal in this time frame, it was eligible to become effective at the beginning of the 2005-2006 license period. A rule becomes effective thirty-five days after the final version is filed with Legislative Reference.

The Commission had already committed to underwriting the cost of revising the Risk Management Course with the Real Estate Research and Education Center believing it to be a viable desirable course even as an elective. Those teaching Risk Management in this license period

will have attended a special instructor training in Auburn on October 21.

Commissioners decided to hold its October meeting in Auburn during the Real Estate Commission Instructors' Seminar. It was deliberately done to emphasize the Commission's commitment to the development and delivery of quality education to licensees. It is also a prelude to the Commission establishing an ongoing instructor training program to be held throughout the year in Commission offices in Montgomery. ■

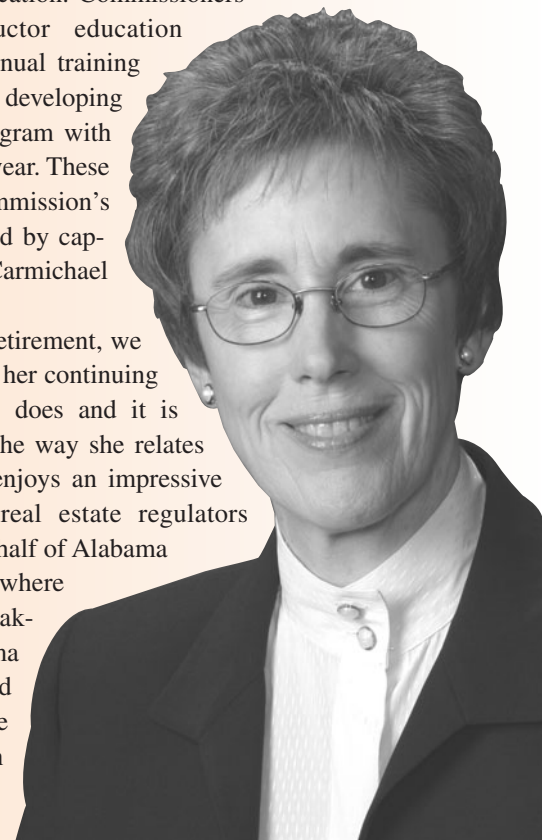
Pat Anderson Named Assistant Executive Director

By D. Philip Lasater, Executive Director

On July 30, 2004 Commissioners acted on the recommendation of its search Committee and named Pat Anderson as Assistant Executive Director. The position had been vacant since 1995. Commissioners became interested in filling the position after funding needs were addressed and expanded program needs existed. Following the requirements as set out in our law, the position was advertised and interviews were conducted. There were strong candidates considered in the process.

Pat has served as Education Director with the Commission for twenty-seven years. Her experience and ability will well serve her for the administrative focus she will have with Licensing and Education. Commissioners are beginning a major instructor education initiative. Rather than a single annual training seminar, the Commission will be developing an ongoing instructor training program with offerings available throughout the year. These will be held primarily in the Commission's new training room that was created by capturing attic space in its existing Carmichael Way location.

Even though Pat is eligible for retirement, we are fortunate to have the benefit of her continuing contributions. Pat likes what she does and it is reflected in how she does it and the way she relates with those around her. Alabama enjoys an impressive international reputation among real estate regulators because of Pat's work in and on behalf of Alabama and ARELLO. The combination of where Commissioners are committed to taking real estate education in Alabama combined with Pat's background and experience will truly make moving real estate education in Alabama to the next level a reality.





1201 Carmichael Way
Montgomery, Alabama 36106

COMMISSIONERS

Bill E. Poole
Chairman, Huntsville

Roy F. Bragg, Birmingham

Jewel Buford, Tuscaloosa

Thomas L. Hays, Birmingham

Gordon Henderson, Albertville

Robert S. Hewes, Dothan

Sheila S. Hodges, Gulf Shores

Lyman A. Lovejoy, Odenville

Chester Mallory, Montgomery

D. Philip Lasater, Executive Director

Vernita Oliver-Lane, Editor

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

Phone: 334.242.5544

Fax: 334.270.9118

www.arec.state.al.us

arec@arec.state.al.us

**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, 2006. Remember to renew all broker, salesperson and company licenses in every even year.

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

2005 AREC Office Closings

The Alabama Real Estate Commission will be closed on the following official state holidays.

Holiday	Date
New Year's Day	December 31, 2004
Robert E. Lee/Martin Luther King, Jr.'s Birthday	January 17
George Washington/Thomas Jefferson's Birthday	February 21
Confederate Memorial Day	April 25
National Memorial Day	May 30
Jefferson Davis' Birthday	June 6
Independence Day	July 4
Labor Day	September 5
Columbus Day	October 10
Veterans Day	November 11
Thanksgiving	November 24
Christmas Day	December 26