



LICENSING REVIEW

by Anthony Griffin, Licensing Administrator

Are You One of the 3,000 People With an Expired License? Then Read On...

If you are one of the approximately 3,000 licensees whose license(s) expired on September 30, 2018, because you did not renew by the September 30, 2018 expiration deadline, then the law provides a one-year grace period to renew your expired license. Therefore, if an expired license is not renewed by midnight September 30, 2019, it will lapse.

An expired license may be renewed between now and midnight September 30, 2019, by going to arec.alabama.gov, clicking on *Online Services Login* and following the instructions from there. If you wish to renew by mail, send your renewal form and fee to the Alabama Real Estate Commission at 1201 Carmichael Way, Montgomery, AL 36106. Mailed renewal fees postmarked by the post office by September 30, 2019 will be considered timely. If you need assistance with either method of renewing, contact the Licensing Division of the Alabama Real Estate Commission.

Remember, should the license lapse it cannot be activated or renewed. This means that, in the future, should you decide to engage in activities that require a real estate license you will have to start over completely and again meet all requirements to obtain a license, including retaking the 60-hour salesperson’s prelicense course and passing the licensing examination. If you are currently a broker, you would have to start over as a salesperson. The exception to this is those maintaining a broker’s license in another state who qualify to obtain a broker’s license in Alabama through reciprocity. In this case, the applicant would have to complete the 6-hour reciprocal broker’s prelicense course and take and pass the reciprocal broker’s exam.

If you are aware of any member of the real estate community who has an expired license and you think this information may be of importance to them, please pass it along.

Fee to renew an expired salesperson’s license is \$335.00.

Fee to renew an expired broker’s license is \$355.00.



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Procedure Change in Commission Office Audits

by Molli Jones, Accounting and Personnel Director

No one likes to see an auditor show up at your company for an unexpected inspection. The Alabama Real Estate Commission has started a new procedure for auditing companies. Auditors will still visit companies, but now qualifying brokers will know in advance when they are scheduled to arrive. Our goal with the new process is to assist companies and qualifying brokers in making the audit as productive and painless as possible.

Qualifying brokers will receive a letter from the Commission announcing the date and time an audit is scheduled. To help make the audit move more smoothly and efficiently, the letter will include the information that is

necessary so that items can be gathered prior to the scheduled audit time. Letters will be sent by regular postal mail and email. Once notification is received, qualifying brokers will need to make every effort to be present for the audit or have someone else present at the office who can answer questions. If circumstances do not allow the qualifying broker or someone to be present, contact Molli Jones at 334-353-0814 to discuss the circumstances/reason to reschedule the audit.

This audit scheduling process is in its infancy and will be modified, as needed, as we progress to better serve licensees and meet Commission audit goals. However, at this

time in the process the Commission will still have some unscheduled audits. We are also going to strive to help new companies with operating procedures. New companies that have been in operation less than a year may receive a technical assistance visit to help answer any questions or assist in making sure the company is operating correctly, thereby eliminating problems down the road.

The Commission will email a survey to all companies and qualifying brokers in the near future to determine whether a company holds trust account monies.

Please watch for this survey and respond online as soon as possible.



Dealing in Your Own Property

by Mandy Speirs, General Counsel

Hey licensee – you want to invest in some real property? Sure! But make sure you know what license law says first!

License law addresses licensees dealing in their own property in several sections. Let's start at the top. Section 34-27-36(a)(2) states that it is a violation of license law to *engage in misrepresentation or dishonest or fraudulent acts when selling, buying, trading, or renting real property of his or her own or of a spouse or child or parent*. Basically, you have these obligations to all parties when dealing with your, your children's, or parent's property even if it's not being run through your real estate company. Rule 790-X-1-.03 additionally requires that when dealing in your own property you must abide by all license laws.

According to Section 34-27-84(a)(6), you must, with no exception, disclose in writing if you are acting on your own behalf. This includes acting on behalf of your immediate family, or any other individual, organization, or business entity in which you have a personal interest. Disclosure must be made in writing and to all interested parties. This section applies to active and inactive licensees.

So, you want to buy a property you or your associates have listed? This is allowed under the law; however, you are required to disclose to the seller that you have an intent - either directly or indirectly – to acquire an interest as stated in Section 34-27-36(a)(18).



Do you have to run your personal property through your company? Maybe. License law does not require that your personal property dealings go through your company, but your qualifying broker can place greater restrictions than license law. If this property is not going through your company, make sure that the consumer is aware of this. Do not create a misleading impression by having rent dropped at your company office; using company-specific forms; answering the phone as if it was your company; or doing

personal business at your company location. Additionally, 790-X-3-.03(3) requires the qualifying broker to be relieved of liability in writing for holding trust funds in licensees' personal property dealings.

If you have any questions about dealing in your own property, please contact Mandy Speirs at 334-242-5544.



How Can I Satisfy the CE Requirement for License Renewal or Activation? (Part 3 of 3)

THIS ARTICLE IS THE LAST OF THREE ARTICLES EXPLAINING THE VARIETY OF WAYS THE CONTINUING EDUCATION (CE) REQUIREMENT IS SATISFIED. THE THREE ARTICLES INCLUDE THE FOLLOWING:

- Part 1** *CE for licensees who were licensed in Alabama by taking the 60-hour prelicense course and license examination*
- Part 2** *Three exceptions for the CE requirement involving new licensees, reciprocal licensees, and the age exemption*
- Part 3** *Options for satisfying the CE requirement including classroom courses, online courses, courses taken in other states, and certifications of licensure*

This third article focuses on the options available for satisfying the CE requirement that will allow renewal of an active license or activation of an inactive license.

Classroom Courses

As written in the first of these three articles, classroom courses are offered throughout the state by approved schools and instructors. The 15-hour CE requirement can easily be satisfied for license activation or renewal by attending courses as they are scheduled. These courses can be found using the *Course Search* feature on the Commission's website. Select the *Course Search* link located in the *Education* section under the *Professionals* heading and all courses that have been planned and entered into the Commission's CMap program will be available. Just select **CE Risk Management** or **CE Elective** and see all of the courses that are currently scheduled. The date, time, and contact information will be available for details of the scheduled course.

Online Courses

Online (a.k.a. distance education) courses are offered through schools which have been approved by the Commission for this specific type of course. There are many licensees who prefer taking online courses on their office or personal computer when they choose to do it instead of traveling to a specific location at a specific time. These courses can also be found using the Commission's *Course Search* feature and selecting *Distance Education* instead of *Classroom Courses*. Some online providers even offer 15-hour CE packages allowing licensees to pay a one-time fee to have access to all 15 hours which can be taken at their leisure. These packages can be located on the website of the course provider.

Other States

As stated in Alabama License Law Rule 790-X-1-.12, all licensees who complete a classroom CE course in another state which is approved by any state may receive CE credit for their Alabama license. After attending and completing the course, they will just need to send the required information to the Commission's Education Division to have the credit added to their record. For example, an Alabama licensee can attend a

California-approved CE course being offered in Colorado and submit the requested information to Alabama for CE credit. The proper documentation verifying attendance, completion, and the state approval must be submitted prior to CE credit being awarded. This option will only allow CE credit for courses taken in a classroom.

Certification of Licensure

Licensees who have a reciprocal license in Alabama can satisfy the CE requirement by simply having a certification of licensure sent from their state of original licensure. For example, an individual who was originally licensed in Georgia by completing the required prelicense course and passing the license examination can apply for a reciprocal license in Alabama. At the proper time, a Georgia certification of licensure identifying an active license can be requested and sent to us to satisfy the 15-hour CE requirement. Remember that this must be based on an original license in another state...not another reciprocal license.

CE renewal will take place next year in 2020. Make sure you satisfy the CE requirement using any variety of the methods that have been explained in this three-part series of articles so your renewed license can remain active. Feel free to contact the Education Division if you have any questions related to the continuing education requirements.

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!

Update your information:

ONLINE SERVICES

[Online Services Login](#)

The Commission must be notified within **30 days** of the change.

Section 34-27-35(h)



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



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.

Cecilia Morris Clark

License No. 000087859
Salesperson; Orange Beach, Alabama
Date of Hearing: November 29, 2018
Fined \$250

Kayla Dianne Eldridge

License No. 000098420
Salesperson; Madison, Alabama
Date of Hearing: November 29, 2018
Fined \$250

Marla R. Davis

License No. 000003824
Associate Broker; Birmingham, Alabama
Date of Hearing: January 17, 2019
Fined \$250

Robert Oliver Hyde, Jr.

License No. 000114330
Broker; Germantown, Tennessee
Date of Hearing: February 21, 2019
Fined \$250

Cory Taylor Rasmus

License No. 000121779
Salesperson; Columbus, Georgia
Date of Hearing: January 17, 2019
Fined \$250

Letracey D. Tuck

License No. 000093718
Salesperson; Harvest, Alabama
Date of Hearing: February 21, 2019
Fined \$250



DISPOSITION

The below was found guilty of violating Section 34-27-36(a)(23)a. by having entered a plea of guilty to and having been found guilty and convicted of a felony and a crime involving moral turpitude.

Christi Melissa Murphy-Thomas

License No. 000074957-1
Qualifying Broker; Montgomery, Alabama
Date of Hearing: October 25, 2018
License revoked

DISPOSITION

The below was found guilty of violating Section 34-27-36(a)(19) by failing to comply with Commission Rule 790-X-3-.03(2) in her failure to pay over to her qualifying broker funds coming into her possession in trust for other parties immediately upon receipt of same; and guilty of violating Section 34-27-36(a)(26) by exhibiting conduct which constitutes or demonstrates dishonest dealings, bad faith, or untrustworthiness by misrepresenting the selling company on the face of the contract when she was not licensed with that company.

Kisa Harris

License No. 000106230
Salesperson; Birmingham, Alabama
Date of Hearing: January 17, 2019
Fined \$5000 and License revoked

DISPOSITION

The below were found guilty of violating Section 34-27-36(a)(19) by violating and disregarding the Order of the Commission to pay fines.

Eric Cochran

License No. 000095725
Salesperson; Tuscaloosa, Alabama
Date of Hearing: January 17, 2019
Fined \$250

Peerless Property Managers

License No. 000044740
Company; Tuscaloosa, Alabama
Date of Hearing: January 17, 2019
Fined \$250

DISPOSITION

The below was found guilty of violating Section 34-27-36(a)(15) as a licensed salesperson by advertising herself as a real estate salesperson without the name or trade name of her qualifying broker under whom she is licensed appearing prominently on the advertising and guilty of violating Section 34-27-36(a)(17) by establishing an association, by employment or otherwise, with an unlicensed person who is expected or required to act as a licensee and aiding, abetting and conspiring with a person to circumvent the requirements of the Alabama Real Estate License Law.

Michelle Lee Baker

License No. 000113840
Temporary Salesperson; Anniston, Alabama
Date of Hearing: January 17, 2019
Reprimanded and ordered to attend and complete Risk Management Level 1 (Risk Management: Avoiding Violations) in a classroom within 90 days of receipt of this Order.

MARCH – JUNE 2019

APPLICATION FOR LICENSURE

(Includes Applications for Temporary, 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 (i.e. salesperson to broker).

APPROVED	13
DENIED	4

Determination of Eligibility

(Applications for Licensing Eligibility Determination)

These numbers represent persons who 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	3
DENIED	2

COMPLAINTS AND INQUIRIES HANDLED BY LEGAL AND INVESTIGATIVE STAFF

FROM LICENSEES	1,228
FROM PUBLIC	688
ANONYMOUS/COMMISSION	47

DISPOSITION

The below was found guilty of violating Section 34-27-36(a)(19) by failing to comply with Section 34-27-35(k) which states, *inactive licenses shall be held at the Commission office until activated. No act for which a license is required shall be performed under an inactive license.*

Vickie Ausmer

License No. 000077443

Salesperson; Homewood, Alabama

Date of Hearing: March 21, 2019

License revoked

DISPOSITION

The below was found guilty of violating Section 34-27-36(a)(19) by failing to comply with Section 34-27-84(a)(6): *(a) Licensees shall have all of the following obligations to all parties in a real estate transaction; (6) To act on behalf of the licensee or his immediate family, or on behalf of any other individual, organization, or business entity in which the licensee has a personal*

interest only with prior timely written disclosure of this interest to all parties to the transaction.

Michael Tincher

License No. 000082105

Salesperson; Huntsville, Alabama

Date of Hearing: March 21, 2019

Fined \$100

DISPOSITION

The below was found guilty of violating Section 34-27-36(a)(19) by failing to comply with Section 34-37-34(a)(2) in her failure as qualifying broker to see that all transactions of the licensee complied with the Alabama Real Estate License Law, and by failing to require the licensee to provide the written disclosure to the purchaser.

Diane Hasley

License No. 000048170-2, - 4

Qualifying Broker; Huntsville, Alabama

Date of Hearing: March 21, 2019

Fined \$1000

Disciplinary Actions on Commission's Website

by Patricia Anderson, Executive Director

In late August, the Commission will start posting disciplinary actions on the Commission's website in addition to our quarterly *Update* newsletter. Starting with the disciplinary actions occurring in July, you will be able to search our online database for licensees and view any disciplinary actions that have been brought against them.

Before disciplinary actions are finalized and posted on the

site, the 30-day appeal period must run. If a licensee appeals a Commission action to the Circuit Court, no disciplinary action will be posted until the appeals process has been exhausted. The online database will be updated regularly, but the Commission will not display any disciplinary actions occurring prior to those presented at the July 2019 hearing.





What is the Cloud?

In the field of information technology (IT), sometimes words or phrases are used that might not make much sense to consumers, e.g., buzzwords such as Net Neutrality, Blockchain and The Internet of Things. The Cloud is another one of these terms that might seem a little mysterious to some people.

So, what is the Cloud exactly? The Cloud is a pool of computing resources (servers, storage, applications, etc.) that is provided as needed to businesses or individuals from a provider's network. Think of it as a virtual locker where you can remotely stash or access data. And chances are, you have been using some form of the Cloud in one way or another. Every time you sign into your Gmail account, watch Netflix, or open a file from Dropbox, you are using the Cloud.

Before the Cloud your documents might have been backed up to a CD-ROM, hard drive, or even a floppy disk! Now that information can be backed up to the Cloud. When we upload data to a cloud-based service such as Google Drive or iCloud, then what is happening behind the scenes is that the file gets copied over the internet and into a data server. These servers are actual physical places where companies store files on multiple hard drives. For example, when you back up your iPhone to the Cloud, your data is being backed up to Apple's servers which are in different parts of the world. You can access those servers and your files by connecting to the internet. So, if your phone breaks you still have your data which, at this point, is residing on their servers. An advantage of cloud computing is the fact that you can access data anytime on any internet-capable device. This makes it a great solution for freeing up space on your personal device and creating a safe, seamless way to access files.

Cloud storage is also beneficial to businesses. The billing model for cloud storage is usually a "pay for what you use" model. The organization can scale up and pay for more storage or scale down and pay for less stor-

age. It also allows IT departments to quickly deliver the exact amount of storage needed, right when it's needed. This allows IT to focus on solving complex application problems instead of having to manage storage systems.

Here are a few personal cloud storage options that you might find useful:

- Amazon Drive offers 5 GB (gigabytes) of free cloud storage. If you have an Amazon Prime account, the free plan includes unlimited photo storage and 5 GB for other file types. You can pay for more if you need additional space.
- Google Drive is cloud storage built to work seamlessly with Google products. You get 15 GB of free online storage with Google Drive to keep documents, photos, music, and videos. You can upgrade to Google One for more space, anywhere from 100 GB to 30 TB.
- Microsoft OneDrive is Microsoft's version of cloud storage. Users get 5 GB of free space for any type of file, and like Google Drive, OneDrive works



seamlessly with Microsoft products like Outlook Mail.

- Apple iCloud is Apple's cloud storage service that's available to any Apple user, whether you have a Mac, iPhone, iPad, or iPod touch. You can get 5 GB for free, but you can buy more. Much like an online backup service, iCloud can be used to automatically back up your phone's images, emails, and more.
- Dropbox gives its users 2 GB for free and lets you access the files from the web, your desktop, or your mobile device. Dropbox Plus or Professional can be purchased for 1 TB or more of online storage space. There are also Dropbox Business plans.

As you can see, the Cloud doesn't have to be mysterious. And its affordability and accessibility make it a helpful tool that can be beneficial to both individuals as well as organizations.

Mortgage Brokers Call for Protected Status for Veterans

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The National Association of Mortgage Brokers (NAMB) recently issued an announcement calling for its members, and members of the public, to support efforts to amend the U.S. Fair Housing Act and Equal Credit Opportunity Act to include military veterans as a protected classification.

As summarized by the U.S. Department of Housing and Urban Development, the Fair Housing Act (FHA) "protects people from discrimination when they are renting or buying a home, getting a mortgage, seeking housing assistance, or engaging in other housing-related activities." The FHA protections apply to housing discrimination because of race, color, national origin, religion, sex, familial status and disability. Most types of housing are covered by the law, but in very limited circumstances it exempts "owner-occupied buildings with no more than four units, single-family houses sold or rented by the owner without the use of an agent, and housing operated by religious organizations and private clubs that limit occupancy to members." The Equal Credit Opportunity Act (ECOA)

reaches any aspect of a transaction extending credit and prohibits discrimination based on race, color, religion, national origin, sex, marital status, age, and the receipt of public assistance income.

In its recent press release NAMB said, "Currently, when seeking to apply for a mortgage, veterans utilizing their VA housing benefits, are faced with those in the market place that discriminated [sic] against them."

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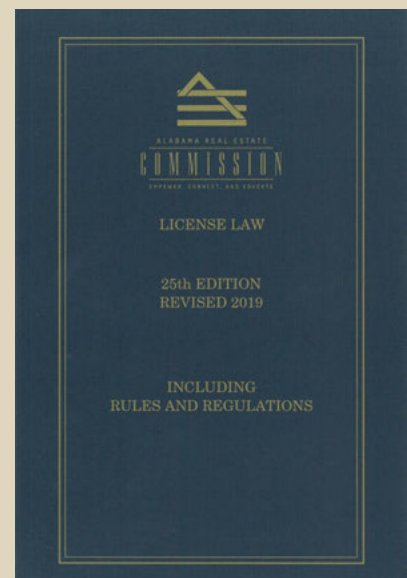
25th Edition of Alabama License Law Book Available Now

The 25th Edition of the Alabama License Law is now available for order from ACRE (Alabama Center for Real Estate). Go to acre.cba.ua.edu and click on *Education* and then select *Publications* in the drop-down menu to order copies.

All updated statute and rule changes are contained in the 25th edition. Additionally, updates have been made to the Keyword Index and regular Index. Back by popular

demand is the Appendix that contains helpful documents for qualifying brokers. As always, all License Law and rule changes are kept current on the Commission's website at arec.alabama.gov under the *Laws* section.

If you are a qualifying broker, you should have received a complimentary copy of the new law book by mail. If you did not receive a copy, please contact ACRE at 205-348-4117.



THE UPDATE

ALABAMA REAL ESTATE

COMMISSION

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.

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MORTGAGE BROKERS CALL FOR PROTECTED STATUS FOR VETERANS *continued from page 7*

The press release does not provide specific examples but, according to various advocacy organizations, discrimination against veterans can involve a variety of circumstances, such as: misunderstandings about military income and benefits, and military voucher programs used by veterans to pay for housing; fears that active service members may be called to duty during the term of a lease; stereotypical notions about active service members, and combat veterans in particular; fear of complications associated with Veterans Administration (VA) loans, etc. And, while the provisions of the FHA and ECOA certainly apply to veterans who are otherwise members of protected classes under those laws, advocates say that special veteran protections are needed.

Consequently, NAMB argues that Congress should amend the FHA and ECOA to:

- "Expand the protected classes to include veteran status;
- No private right of action to enforce these provisions;
- Prohibit any person [from taking] the status of being a veteran into account in connection with the evaluation of creditworthiness of an applicant or acceptance of a home purchase contract."

NAMB also applauded states that "have this protection today: Massachusetts, Indiana, Illinois, Washington, Ohio, [and] New York. In addition, California is considering veterans protections in the rental market."

NAMB President Richard Bettencourt said, "The [f]ederal government should implement a [f]ederal statute protecting veterans claiming their VA housing benefits. Veterans and their families sacrifice each and every day to ensure the American way of life continues and it is a small gesture for Congress to amend these current laws so those who pave the way for all Americans to live wonderful lives, don't have to experience unneeded discrimination."

While the FHA does not currently cover veterans, many state, county and municipal laws and ordinances do so, at least by prohibiting housing discrimination through "source of income" provisions that protect those utilizing veterans benefits or public assistance programs to pay for housing.