



COMMONWEALTH of VIRGINIA
DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL REGULATION

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**VIRGINIA REAL ESTATE BOARD
ADVISORY COUNCIL REPORT**

The Virginia Real Estate Board Advisory Council met on Wednesday, January 18, 2012, at the Department of Professional and Occupational Regulation, Richmond, Virginia. The following Advisory Council Members were present:

Joseph Funkhouser, II, Chairman
Ronald Owens, Vice Chairman
Sharon Johnson
R. Schaefer Oglesby
Ann Palmateer
Ned Massie
Judith Childress
Boyd Smith
Scott Gaeser
Carmen Martin
Gladys Fain
Byrl Taylor
Florence Daniels
Dorothy Burch
Angie Delboy

The following DPOR Staff Members were present:

Gordon Dixon, Director
Mark Courtney, Deputy Director
Christine Martine, Executive Director
Kevin Hoeft, Education Administrator
Jeffrey Williams, Board Administrator

- I. Call to Order - 10:15 a.m.
- II. Approval of Agenda
Motion by Ms. Johnson, seconded by Mr. Oglesby, approved unanimously.
- III. Introduction of Advisory Council Members and Board Staff
- IV. Introduction of Guests

Guests included Jay DeBoer and Lili Paulk of the Virginia Association of Realtors, Deana Wilson of Alpha College of Real Estate and William Reid of Moseley-Flint Schools of Real Estate.

V. Public Comment

Ms. Wilson mentioned that the 60-hour Principles and Practices of Real Estate Pre-license Education course for Salespersons is not required to include instruction on Ethics or Contract Writing. She said a practical approach is best for the post license education program for new salespersons.

Mr. Funkhouser asked the Council to review the four written public comments concerning the Advisory Council's October 18, 2011, report and recommendation that had been received by Board staff and were included in the meeting materials.

VI. Discussion of Proposed Changes to the 30-hour Education Curriculum for New Real Estate Salespersons

Mr. Funkhouser reminded the Advisory Council of the Real Estate Board's decision at its November 17, 2011, meeting, when, after reviewing The Advisory Council's October 18, 2011, Report and Recommendation (copy attached), it directed the Advisory Council to meet again prior to the January 26, 2012, Real Estate Board meeting. The Board asked the Advisory Council to: 1) Reconsider the number of hours allocated to Proposed Courses 2 & 6 (Real Estate Law and Board Regulations & Contract Writing); 2) Reconsider the number of hours allocated to Course 7 (Risk Management); 3) Consider whether 24 hours of the 30 hours should address the nine required subjects listed in 54.1-2105.01.C (copy attached) with the remaining six hours being allocated for Electives; and 4) Consider whether the Board should require more than 30 hours for the New Salesperson curriculum. Board Counsel advised the Board that since 54.1-2105.01.C states "an educational curriculum of AT LEAST 30 hours," then the Board could require more than 30 hours if it deemed this necessary.

Mr. Funkhouser then opened the floor for discussion on these four items. After some discussion, Mr. Funkhouser asked the Council if they would be willing to discuss items 1 and 2 together. The Council agreed to this. After further discussion, Ms. Martin made a motion, seconded by Ms. Johnson, that Course 7 (Risk Management) be reduced from three hours to two hours. After further discussion, Ms. Martin withdrew her motion.

Mr. Funkhouser then asked the Council to consider Item 4. After some discussion, Mr. Oglesby asked whether the Board's Regulations would need to be amended to require new salespersons to complete more than 30 hours of post license education. Mr. Courtney informed the Council that since 18 VAC 135-20-101 of the Board's Regulations requires "30 hours of post-license education," then a regulatory change would be required if the Board decided to require more than 30 hours of post license education for new salespersons. Mr.

Courtney informed the Council that the average regulatory change currently takes about 30 months to complete. Following additional discussion, Ms. Johnson made a motion, seconded by Ms. Daniels, that the post license education curriculum remains at 30 hours. The motion passed unanimously.

Mr. Funkhouser then asked the Council to consider Item 3. After discussion, Ms. Johnson made a motion, seconded by Ms. Childress, that the Advisory Council send its original October 18, 2011, recommendation for the post license education curriculum, consisting of the following eight courses, to the Board for further consideration and approval. The motion was approved unanimously.

1. Fair Housing, Americans with Disabilities Act and the Civil Rights Act of 1866 – 2 hours
2. Real Estate Law and Board Regulations – shall include Lead Based Paint, Virginia Residential Landlord and Tenant Act, Property Owners Association Act, Condominium Act, Common Interest Community Law, Megan's Law, Servicemembers Civil Relief Act, all required disclosures, Virginia Real Estate Board disciplinary actions, Building Codes and Smoke Detectors – 8 hours
3. Ethics and Standards of Conduct – 3 hours
4. Current Industry Issues and Trends – may include Short Sales, Social Media and Internet Advertising – 2 hours
5. Virginia Agency Law – 3 hours
6. Contract Writing – may include Listing Parties, Residential Leasing, Net Leases, Triple Net Leases, Ground Leases, Contingencies, Ownership Principles, Multiple Offers, Ratification, Delivery, Back-up Offers and Home Inspections – 6 hours
7. Risk Management – shall include Real Estate Settlement Procedures Act, Anti-Trust Act, Chesapeake Bay Preservation Act, Environmental Laws, Mold – 3 hours
8. Escrow Requirements – shall include Deposits and Trust Monies – 3 hours

The Advisory Council affirmed its October 18, 2011, decision that new salesperson licensees should not be required to complete all eight courses and 30 hours with the same approved education provider. New licensees should be able to complete the eight courses and 30 hours with different approved education providers.

- VII. There being no further business or public comment, the meeting adjourned at 11:00 a.m.

Attachments

VIRGINIA REAL ESTATE BOARD ADVISORY COUNCIL REPORT

The Virginia Real Estate Board Advisory Council met on Tuesday, October 18, 2011, at the Department of Professional and Occupational Regulation, Richmond, Virginia. The following Advisory Council Members were present:

Joseph Funkhouser, II, Chairman
Ronald Owens, Vice Chairman
Sharon Johnson, Residential Committee Chair
R. Schaefer Oglesby, Property Management Committee Chair
Ann Palmateer
Earl Jackson
Judith Childress
Joseph Carney
Boyd Smith
Scott Gaeser
Gladys Fain
Ned Massie

The following Real Estate Board Member was present:

Cliff Wells, Chair

The following DPOR Staff Members were present:

Christine Martine, Executive Director
Kevin Hoeft, Education Administrator

- I. Call to Order - 10:10 a.m.
- II. Approval of Agenda
Motion by Mr. Oglesby, seconded by Mr. Owens, approved unanimously.
- III. Introduction of Guests
Guests included Jay DeBoer, Tracey Florida and Lili Paulk of the Virginia Association of Realtors, Deana Wilson and Howard Williams of Alpha College of Real Estate and Nathan Hughes of Bandazian and Holden, Inc.
- IV. Public Comment
There was no public comment.

V. Discussion of Proposed Changes to the 30-hour Education Curriculum for New Real Estate Salespersons

Chairman Funkhouser summarized the September, 12, 2011, Advisory Council Meeting Report and emphasized the Advisory Council's primary goal to recommend to the Real Estate Board a new 30-hour post license education curriculum to replace the current 30-hour post license education curriculum, which is based on the three practice tracks of Residential Real Estate, Commercial Real Estate, and Property Management.

Mr. Funkhouser added that since the September 12, 2011, meeting, three comments were received from Advisory Council members. Ms. Childress submitted a proposal outlining eight course topics and hours for the 30-hour post license education curriculum. Ms. Fain submitted a side-by-side list of the topics considered by the two break-out groups at the September 12 meeting. Ms. Palmateer submitted comments agreeing with Ms. Fain's list.

Mr. Funkhouser then opened the floor for discussion. After some discussion, Mr. Oglesby made a motion, seconded by Ms. Johnson, that each course included in the recommended 30-hour curriculum should be assigned a specific number of hours. The motion was approved unanimously.

Mr. Oglesby then made a motion, seconded by Mr. Gaeser, that the Advisory Council adopt and modify the proposal submitted by Ms. Childress to arrive at its final recommendation for the new 30-hour post license education curriculum. The motion was approved unanimously (Childress Proposal attached).

At 10:50 a.m., Mr. Funkhouser directed the Advisory Council and the education providers in attendance to divide into two work groups to discuss adjustments to the Childress Proposal and to report their findings back to the Advisory Council. Work Group One was asked to consider course topics and hours numbered one through four in the Childress Proposal, and Work Group Two was asked to consider course topics and hours numbered five through eight in the Childress Proposal.

At 11:20 a.m., the Advisory Council reassembled. Mr. Oglesby reported for Work Group One and Ms. Johnson reported for Work Group Two. After discussion, Ms. Palmateer made a motion, seconded by Mr. Owens, that the following 30-hour post license education curriculum, consisting of eight distinct courses, be recommended for approval to the Real Estate Board:

1. Fair Housing, Americans with Disabilities Act and the Civil Rights Act of 1866 – 2 hours
2. Real Estate Law and Board Regulations – including Lead Based Paint, Virginia Residential Landlord and Tenant Act, Property Owners Association Act, Condominium Act, Common Interest Community Law, Megan's Law, Servicemembers Civil Relief Act, all required disclosures, Virginia Real

Estate Board disciplinary actions, Building Codes and Smoke Detectors – 8 hours

3. Ethics and Standards of Conduct – 3 hours
4. Current Industry Issues and Trends – such as Short Sales, Social Media and Internet Advertising – 2 hours
5. Virginia Agency Law – 3 hours
6. Contract Writing – such as Listing Parties, Residential Leasing, Net Leases, Triple Net Leases, Ground Leases, Contingencies, Ownership Principles, Multiple Offers, Ratification, Delivery, Back-up Offers and Home Inspections – 6 hours
7. Risk Management – including Real Estate Settlement Procedures Act, Anti-Trust Act, Chesapeake Bay Preservation Act, Environmental Laws, Mold – 3 hours
8. Escrow Requirements – including Deposits and Trust Monies – 3 hours

The motion passed unanimously. The Advisory Council then agreed that new salesperson licensees should not be required to complete all eight courses and 30 hours with the same approved education provider. New licensees should be able to complete the eight courses and 30 hours with different approved education providers.

- VI. Virginia Association of Realtors (VAR) Professionalism Group Update
Jay DeBoer, VAR Vice President of Law and Policy, provided the Advisory Council with an update on the work of the VAR Professionalism Group including: 1) Amendments to the Board's "Place of Business" Regulation; 2) Real Estate Firm Inspections; and 3) Salesperson and Broker Pre-license Education Requirements.
- VII. There being no further business or public comment, the meeting adjourned at 12:30 p.m.

Attachment

Post License Education Requirements – 30 hrs.
.....to include

- 2 hrs 1. Fair Housing & American w/Disabilities Act
 - 8 hrs. 2. Real Estate Law & Board Regulations – including Lead Based Paint, Virginia Residential Landlord & Tenant Act (VRLTA), all required disclosures, RESPA, POA, CA, CIC, Megans Law, Environment Laws, Chesapeake Bay Act, Mold, Anti-Trust Act, VREB Disciplinary Actions, Building Codes, Home Inspections, and Smoke Detectors
 - 3 hrs 3. Ethics & Standards of Conduct
 - 3 hrs 4. Current Industry Issues and Trends – including Short Sales and Social Media
 - 3 hrs 5. Agency – including Seller/Landlord and Buyer/Tenant, Dual, Seller, Standard, Limited Service, Disclosures, Independent Contractors and Confidentiality
 - 4 hrs 6. Contract Writing – including Listing Parties, Net Leases, Triple Net Leases, Ground Leases, Deposits, Contingencies, Ownership Principles, Trust Monies, Multiply Offers, Ratification, Delivery, Back-Up Offers
 - 3 hrs 7. Risk Management
 - 3 hrs 8. Escrow Requirements
- 30 hrs

§ 54.1-2105.01. Educational requirements for all salespersons within one year of licensure.

A. The Board shall establish guidelines for an educational curriculum of at least 30 hours of classroom, or correspondence or other distance learning, instruction, in specified areas, which shall be required of all salespersons within one year of issuance of a license by the Board. Failure of a new licensee to complete the 30-hour curriculum within one year of obtaining a real estate salesperson's license shall result in the license being placed on inactive status by the Board until the curriculum has been completed.

B. To establish the guidelines required by this section, the Board shall establish an industry advisory group composed of representatives of the practices of (i) residential real estate, (ii) commercial real estate, and (iii) property management. The industry advisory group shall consist of licensed real estate salespersons and real estate brokers who shall be appointed by and shall meet at the direction of the Board, at least annually, to update the guidelines. The Board shall review and may approve educational curricula developed by an approved school or other provider of real estate education authorized by this chapter. The industry advisory group shall serve at no cost to the Board.

C. The curricula for new licensees shall include topics that new licensees need to know in their practices, including contract writing, handling customer deposits, listing property, leasing property, agency, current industry issues and trends, property owners' and condominium association law, landlord-tenant law, Board regulations, and such other topics as designated by the Board. The continuing education requirements of this section for new licensees shall be in lieu of the continuing education requirements otherwise specified in this chapter and Board regulations.

(2007, c. [809](#); 2011, c. [461](#).)