

VIRGINIA REAL ESTATE BOARD
ADVISORY COUNCIL REPORT

DRAFT

The Virginia Real Estate Board Advisory Council held its annual meeting on Monday, September 12, 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
Carmen Martin
Gladys Fain

The following DPOR Staff Members were present:

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

- I. Call to Order - 10:08 a.m.
- II. Approval of Agenda
Motion by Mr. Oglesby, seconded by Ms, Johnson, approved unanimously.
- III. Introduction of Advisory Council Members and Guests
Guests included Jay DeBoer, Tracey Florida and Lili Paulk of the Virginia Association of Realtors and Billy Reid of Moseley-Flint Schools of Real Estate.
- IV. Public Comment
There was no public comment.

V. Statutory Purpose of Advisory Council Meeting

Chairman Funkhouser summarized §54.1-2105.01 of the Code of Virginia as requiring the Advisory Council to meet at least annually to update the guidelines for the 30-hour educational curriculum for new real estate salespersons.

VI. Review and Discussion of HB 1907's Effect on the 30-hour Educational Curriculum for New Real Estate Salespersons

Chairman Funkhouser informed the Advisory Council that effective July 1, 2011, HB 1907 removed the three practice tracks from the Real Estate Post License Education for New Salespersons' Statute. The Advisory Council's primary goal is to recommend to the Real Estate Board what new 30-hour Post License educational curriculum should replace the current 30-hour Post License educational curriculum, which is based on the three practice tracks of Residential Real Estate, Commercial Real Estate, and Property Management.

Mr. Funkhouser added that no changes will be made to the Real Estate Board's current Post License Education program until the Board decides what to put in its place. The Advisory Council should provide the Board with advice on what 30-hour educational curriculum for new salespersons would best protect the public within the boundaries of Virginia law. The main boundaries of law are: 1) the curriculum must be at least 30 hours; and 2) the 30-hour curriculum must include the following nine topics: contract writing, handling customer deposits, listing property, leasing property, agency, current industry issues and trends, property owners' and condominium association law, landlord-tenant law, and Board regulations.

After discussion, Ms. Johnson made a motion, seconded by Mr. Oglesby, that the Advisory Council recommend that the Board establish a 30-hour educational curriculum for new real estate salespersons that includes the nine topics required by §54.1-2105.01.C of the Code of Virginia. The motion passed unanimously.

At 11:35 a.m., Chairman Funkhouser directed the Advisory Council to break up into two works groups (Residential/Commercial Real Estate and Property Management) to discuss the nine required topics and other subtopics that should be included in the 30-hour curriculum and to report back to the Advisory Council at 12:00 noon.

Ms. Johnson reported for the Residential/Commercial Real Estate Group and stated that the following topics should be included in the 30-hour curriculum: 1) Fair Housing and the Americans with Disabilities Act; 2) Real Estate Law and Board Regulations – including Lead-based Paint, Virginia Residential Landlord-Tenant Act, all required disclosures, Real Estate Settlement Procedures Act, Property Owners Associations, Condominium Act, Common Interest Communities, Megan's Law, Environmental Laws, Chesapeake Bay Act, Mold, Anti-Trust Act, Real Estate Board Disciplinary Actions and Smoke Detectors; 3) Ethics and Standards of Conduct; 4) Current Industry Issues and Trends – including Short Sales and Social Media; 5) Agency – including seller/landlord and buyer/tenant, Dual, Seller, Standard, Limited

Service, Disclosures, Independent Contractor, and Confidentiality; 6) Contract Writing – including Listing Parties, Net Leases, Triple Net Leases, Ground Leases, Deposits, Contingencies (Financing, Home Inspection, Sale of House, Valuation), Ownership Principles, Trust Monies, Multiple Offers, Ratification, Delivery, Multiple Offers and Back-up Offers; and 7) Risk Management.

Mr. Oglesby reported for the Property Management Group and stated that the following topics should be included in the 30-hour curriculum: 1) Agency Law; 2) Fair Housing - including the Americans with Disabilities Act; 3) Contract Writing - including all types of contracts (sales, listings and leases); 4) Landlord-Tenant Law (Virginia Residential Landlord-Tenant Act); 5) Board Regulations; 6) Building Codes, Home Inspections, Lead-based Paint, Mold, and Smoke Detectors; 7) Escrow Requirements; 8) Ethics and Standards of Conduct; and 9) Current Industry Issues and Trends – including Social Media.

After discussion, Ms. Martin made a motion, seconded by Ms. Palmateer, that the Advisory Council recommend that the Board follow the Alaska Real Estate Commission's (Alaska) 30-hour Post License Education Curriculum format for topics, hours and subtopics and follow the Alabama Real Estate Commission's (Alabama) "Goals and Objectives" format. The motion passed unanimously.

Chairman Funkhouser then requested that Advisory Council staff compile and e-mail the draft meeting minutes to the Advisory Council members who were charged with studying the draft meeting minutes and other materials and being prepared at the next meeting in October to discuss how the 30-hour education curriculum should be structured in its final form to comply with Virginia law, the Alaska format for topics, hours and subtopics, and the Alabama "Goals and Objectives" format.

- VII. Virginia Association of Realtors Three-Hour Residential Standard Agency Course Draft
Virginia Association of Realtors (VAR) Vice President of Law and Policy Jay DeBoer asked the Advisory Council members to review VAR's Draft Three-Hour Residential Standard Agency Course (RSA) and provide VAR with their input on any improvements to make this the best possible RSA course for Virginia active individual real estate licensees - all who are required to take one three-hour RSA course to renew their licenses beginning on July 1, 2012. VAR's objective is to provide their final RSA course at no charge to their education partners in Virginia. The Advisory Council concurred and asked that staff resend by e-mail the VAR Draft RSA Course to them and that this matter be placed on the October meeting agenda under "Old Business."
- VIII. There being no further business or public comment, the meeting adjourned at 12:35 p.m.