

VIRGINIA REAL ESTATE BOARD ADVISORY COUNCIL REPORT

The Virginia Real Estate Board Advisory Council held its annual meeting on Tuesday, October 26, 2010, at the Department of Professional and Occupational Regulation, Richmond, Virginia. The following Advisory Council Members were present:

**Joseph Funkhouser, II, Chairman
Sharon Johnson
R. Schaefer Oglesby
Ned Massie
Ann Palmateer
Earl Jackson
Judith Childress
Joseph Carney
Boyd Smith
Scott Gaeser
Carmen Martin
Gladys Fain**

The following DPOR Staff Members were present:

**Mark Courtney, Deputy Director
Christine Martine, Executive Director
Kevin Hoelt, Education Administrator**

- I. Call to Order - 10:13 a.m.**
- II. Approval of Agenda
Motion by Ms. Johnson, seconded by Mr. Jackson, approved unanimously.**
- III. Introduction of Advisory Council Members and Guests
New Advisory Council members included Carmen Martin and Gladys Fain. Guests included Jay DeBoer and Lili Paulk of the Virginia Association of Realtors, Billy Reid of Moseley-Flint Schools of Real Estate, and Deana Wilson of Alpha College of Real Estate.**
- IV. Public Comment**

There was no public comment.

- V. **Education Administrator Report (See Attachment #1)
Report summarized by Kevin Hoeft**
- VI. **Proposed Change to Real Estate Continuing Education Statute to allow the Real Estate Board (Board) to set "Core Course" Subjects.**

Advisory Council Member Boyd Smith, who is also a member of the Virginia Association of Realtors Professionalism Work Group (Work Group), provided the Council with a summary of his September 8, 2010, presentation to the Real Estate Board Education Committee concerning the Work Group's proposal that the Code of Virginia be amended to grant the Board greater authority and flexibility to set real estate continuing education license renewal requirements. At its September 9, 2010, meeting, the Board supported this concept and asked that the Advisory Council consider and discuss this proposal and report its findings to the Board at its November 18, 2010, meeting.

Mr. Smith advised the Council that this proposal is one of several related Work Group draft recommendations designed to increase professionalism among Virginia real estate licensees. Mr. Smith informed the Council that Work Group Chairman Brad Boland was in attendance at the meeting, and he was available to share the other Work Group draft recommendations with the Council. The Council invited Mr. Boland to explain the Work Group's recommendations which he did. The recommendations address the following subjects: 1) Broker Supervision; 2) Continuing Education; 3) Testing; and 4) Single License ("Recommendations of the Professionalism Work" document attached).

VII. **Advisory Council Discussion and Actions**

After discussion, the Advisory Council considered each Work Group Recommendation by subject.

After a motion by Ms. Johnson, seconded by Ms. Palmateer, the Council recommended unanimously that the Board support "Broker Supervision" Recommendations #1 and #2, and that the Board support in concept "Broker Supervision" Recommendation #3.

After a motion by Mr. Gaeser, seconded by Ms. Childress, the Council recommended unanimously that the Board support "Continuing Education" Recommendation #1 and that the Board support "Continuing Education" Recommendation #2 with the provision that only elective continuing education credit hours could be carried forward for credit into the next licensure term.

After a motion by Ms. Palmateer, seconded by Mr. Smith, the Council recommended unanimously that the Board support "Testing" Recommendation #2 and that the

Board support "Testing" Recommendation #1 with the provision that the language, "and limit the frequency with which the test may be taken to not more than once per month," be deleted from this recommendation.


After a motion by Ms. Johnson, seconded by Ms. Palmateer, the Council recommended that the Board support the idea of a "Single License" as expressed in Recommendations #1 and #2, but that more information and details as to how this measure would actually be implemented are required. Mr. Oglesby and Ms. Childress oppose a "Single License."

After discussion, and a motion by Ms. Johnson, seconded by Mr. Jackson, the Council again recommended unanimously that the Real Estate Board work expeditiously to remove the three Practice Tracks from § 54.1-2105.01 of the *Code of Virginia*.

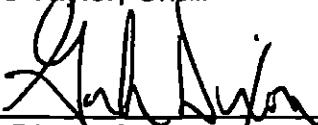
VIII. Other Business

There was no other business.

IX. There being no further business or public comment, the meeting adjourned at 12:21 p.m.



Byrl Phillips Taylor, Chair



Gordon N. Dixon, Secretary

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Recommendations of the Professionalism Work Group

Professionalism WG Charge



This group is charged with evaluating professionalism issues for:

- pre-licensing requirements
- continuing education
- broker/agent supervision.

Members of the work group will be charged to recommend possible legislative and/or regulatory changes for 2010 and subsequent sessions of the General Assembly.

Broker Supervision



- Recommendation #1:** That the VREB promulgate a new separate regulation on Broker Supervision to be included in its current Regulatory Review. Currently, broker supervision is defined under “Place of Business,” and the Work Group recommends a separate category which clearly states the supervisory duties of a broker.
- Recommendation #2:** That a Virginia broker supervision guideline and checklist form be created similar to the *Arizona Broker Supervision & Control Audit Declaration*.
- Recommendation #3:** That the VREB update its existing guidance document on permitted activities for unlicensed assistants. **Note:** This request was made to the Real Estate Board’s Regulatory Review Committee on September 8, 2010.

Continuing Education



- **Recommendation #1:** That VAR support a statutory change granting the VREB flexibility to alter course requirements for the next renewal cycle to reflect needs arising from economic, market or changing practice conditions. **Note:** This concept was endorsed by the Virginia Real Estate Board at their meeting on September 9, 2010. They will also forward the concept with their endorsement to the Real Estate Industry Advisory Committee for consideration at their next meeting in October, 2010.
- **Recommendation #2:** The Work Group supported the carryover of continuing education credits to next reporting period by amending § 54.1-2105.03 to permit a reasonable number of excess CE hours to be acquired in one reporting period and carried forward into the next reporting period. (Currently, for example, attorneys may carry forward up to 12 CE hours to the next year, which is the full quota.) A reasonable recommendation might be that up to 4 of the 8 elective hours for brokers, and 4 of the 8 elective hours for salespersons, be permitted to carry forward.
- **NOTE:** Additionally, the Work Group recommended that VAR propose legislation to phase in ARELLO standards for distance learning and correspondence courses. During this time, the Virginia Real Estate Board, pursuant to VAR's recommendation, adopted a policy requiring that correspondence course applications have ARELLO Distance Education Certification or a substantially equivalent distance education certification and therefore it was unnecessary for the Work Group to proceed.

Testing



- **Recommendation #1:** That the VREB expand the examination by increasing the topics to include more areas pertinent to the practice of real estate, increase the number of questions for each topic, and limit the frequency with which the test may be taken to not more than once per month.
- **Recommendation #2:** The Work Group also recommends that DPOR, as the contracting agent for the VREB in the procurement of testing services, consider that a requirement for “Computer Adaptive Testing” (CAT) be included in the conduct of the Real Estate examinations for Virginia. This is a technological feature that selects and administers additional follow-up questions based upon the answers given by the test subject.

Single License



- **Recommendation #1:** The Work Group directs the preparation of a legislative proposal that would
 - (1) impose the new licensure hierarchy on new entrants into the profession at the soonest possible time; and
 - (2) direct current licensees to transition into the new scheme in an orderly but certain fashion within a fixed time period.

The Work Group acknowledges that implementation of this proposal will require that the Virginia Real Estate Board maintain two distinct real estate licensure systems for a period of time, and will have regulatory impacts that may add to the cost of licensure.

- **Recommendation #2:** In support of Recommendation #1, the Work Group recommends that in the development of the 30 hours of education needed to advance between classes of broker, the VREB be empowered with the same flexibility to alter course hours and requirements as discussed in the Continuing Education context above. This feature will be included as part of the draft legislation on this subject.