



The Ohio
Department
of Commerce

Fall 2005

Division of

Real Estate and Professional Licensing

◆ N E W S L E T T E R ◆

Bob Taft
GOVERNOR

Doug White
DIRECTOR

Kelly Davids
SUPERINTENDENT



by Superintendent Kelly Davids

Autumn is my favorite time of year – cool breezes, bright blue skies, vibrant colors, warm sweaters, leaves crunching underfoot, a pot of soup simmering on the stove, bread baking in the oven, buttoning up the house for the winter months ahead. This year those thoughts of “home” take on a special meaning. As the new Superintendent, I know that those we serve – the real estate and appraiser licensees and their customers – connect to make these images of home the reality for thousands and thousands of people all across Ohio.

As we all know, in most home buying experiences, financing of the purchase requires an appraisal. Many times, because it takes place behind the scenes, the role of the appraiser is overshadowed by the other steps in the home buying process; but from the Division’s perspective, I can assure you Ohio’s appraiser program has been front and center in the last few months!

In August the Division welcomed two staff members of the Appraisal Subcommittee (ASC) to our offices in Cleveland and Columbus. The ASC is charged with auditing the states for compliance with federal regulations governing appraisals and appraiser licensing. Following months of preparation, intense investigative work on pending complaints, and focus on all aspects of the program, we were delighted to hear the auditors report to the Ohio Appraiser Board that they were happy with the progress Ohio has made since their last visit! As we go to press, we are anxiously awaiting the results of their official report.

We are also pleased that Senate Bill 144 that changes our law permitting out-of-state appraisers to complete assignments in Ohio on a temporary basis passed the Senate without dissent and is now receiving hearings in the House. Ohio statutes regarding temporary practice have been out of federal compliance and a source of criticism since 1996. We are thankful that the General Assembly has taken up this corrective measure.

As you may know, the work of some appraisers has been highlighted in multiple media stories on Ohio’s high rate of foreclosure. Appraisals that are deliberately inflated to reach a predetermined financing amount are one of the components blamed for this situation. Our enforcement staff is busy working on many such cases, but our hands are tied when the person performing the appraisal is not licensed. Ohio is one of the few states that does not mandate the licensing of appraisers. Representative Blasdel has introduced a bill to correct this, and we are hopeful that HB 113 will receive hearings in the coming months.

The federal requirements for becoming a licensed or certified appraiser are changing too. By January, 2008, anyone wishing to enter this field will need to meet additional educational requirements. We are currently working on changes to our statutes and rules to enable Ohio to keep on top of these changes. On December 15, we will be hosting a representative of the federal Appraiser Qualification Board to present a seminar for all who are interested about the required changes and their impact on the industry.

As you can see, Ohio’s Appraiser Program comprises a prominent part of our daily activity in the Division of Real Estate & Professional Licensing. As such, we thought it wise to dedicate a large portion of the fall newsletter on this topic.

Enjoy this glorious season! And, remember if you need our assistance, we are here to help!

THREE YEAR RENEWAL BEGINS JANUARY 2006

Save the Date!

APPRAISER QUALIFICATIONS SEMINAR
Ohio's Implementation of the 2008 AQB Criteria

WHERE: Vern Riffe Center - Capitol Theater
77 South High Street, Columbus

WHEN: Thursday, December 15, 2005
1:00 - 4:30 p.m.

WHY: To explain the changes mandated by the federal Appraiser Qualifications Board and Ohio's method of implementation.

WHO SHOULD ATTEND: Current licensed and certified appraisers, appraiser assistants, students or others who want to get into the appraisal business, appraisal education providers, policy makers, and others who are interested in learning more about the changing qualifications to become a licensed or certified appraiser.

HOW TO REGISTER: Visit our website, www.com.state.oh.us/real, download and complete the application, and mail or fax it to:

Ohio Division of Real Estate & Professional Licensing
77 S. High Street, 20th floor, Columbus, OH 43215
Attn: Tammy Brown, Outreach Manager
(614) 466-6297 Fax: (614) 644-0588

*Continuing Education: 2.5 hours of continuing education credit awarded to those who attend entire session. Certificates distributed at conclusion of seminar.

New Appraiser Criteria To Become Effective January 1, 2008

The Appraiser Qualifications Board (AQB) adopted revisions to the Real Property Appraiser Qualifications which will be effective January 1, 2008.

As the revisions apply to Ohio, there are no significant changes in experience requirements or the examination. However, there are significant changes in the education requirements as the table on page 3 details.

The AQB provided states options in how to implement the new criteria. The Ohio Real Estate Appraiser Board approved a "hybrid" approach to implementation.

What this means for those considering applying for licensure or certification:

Under the hybrid approach, applications are made up of three components: education, experience, and examination. Each component will be evaluated based on the criteria in effect at the time the component was completed. For applications completed after January 1, 2009, all components must comply with the 2008 criteria regardless of when the components

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New Appraiser Criteria continued...

were completed. Since there are no significant changes with the experience and examination components, the following examples will focus on education:

Sally, Frank, and Paul want to be certified general appraisers. Sally completes all of the appraiser courses on December 12, 2007. She applies and completes her application on January 3, 2008. Since Sally completed the education component prior to January 1, 2008, her education must comply with the current criteria of 180 hours of appraiser courses and no bachelor's degree.

Frank completes the appraiser courses on January 18, 2008. He applies and completes his application on January 22, 2008. Frank completed the education component after January 1, 2008, thus his education must comply with the 2008 criteria of 300 hours of appraiser courses, and Frank must have a bachelor's degree.

Paul completes all of the appraiser courses on December 1, 2007. However, he does not apply and complete his application until February 2, 2009. Although he completed his education component prior to January 1, 2008, he completed his application after the cut-off date of January 1, 2009. Thus, Paul's education component must comply with the 2008 criteria of 300 hours of appraiser courses, and he must have a bachelor's degree.

How this may affect potential applicants now:

Potential applicants may already have started their educational program. If you are a potential applicant, keep in mind that if you do not complete your education component prior to January 1, 2008, you will have to comply with the 2008 requirements. If you do not intend to apply until after January 1, 2009, you will have to comply with the 2008 requirements, regardless of when you completed your education.

The Division of Real Estate and Professional Licensing will host an AQB seminar on December 15 to educate potential applicants and education providers on the upcoming changes. The Division encourages everyone to attend. A member of the Appraiser Qualifications Board will be speaking at this event.

2008 Real Property Appraiser Qualification Criteria Table

Category	Current Requirements ¹	1/1/08 Requirements ^{1, 2}	1/1/08 College-Level Course Requirements ³
License	90 hours	150 hours	None
Certified Residential	120 hours	200 hours	Associate degree or higher. In lieu of required degree, Twenty-one (21) semester credit hours covering the following subject matter courses: English Composition; Principles of Economics (Micro or Macro); Finance; Algebra, Geometry or higher mathematics; Statistics; Introduction to Computers - Word Processing/Spreadsheets; and Business or Real Estate Law.
Certified General	180 hours	300 hours	Bachelors degree or higher. In lieu of the required degree Thirty (30) semester credit hours covering the following subject matter courses: English Composition; Micro Economics; Macro Economics; Finance; Algebra, Geometry or higher mathematics; Statistics; Introduction to Computers - Word Processing/Spreadsheets; Business or Real Estate Law; and two (2) elective courses in accounting, geography; ag-economics; business management; or real estate.

¹ Hours required include completion of the *15-Hour National USPAP Course* (or its equivalent).

² Hours required include specific core curriculum courses and hours - please see the *Real Property Appraiser Qualification Criteria* for details.

³ College-level courses and degrees must be obtained from an accredited college or university.

**Please note the college level requirements are in addition to the appraiser courses.*

The Commercial Corner

I don't need to do that...I'm a commercial broker!

The above statement may be just the ticket for your trip to the Ohio Real Estate Commission and the disciplining of your broker's license. All Ohio brokers, regardless of the area in which they practice, must meet certain minimum requirements to comply with Ohio law.



Section 4735.01(R) of the Ohio Revised Code {ORC} defines commercial real estate. Some of the requirements may appear designed only to protect residential buyers and sellers unfamiliar with real estate transactions. These requirements may seem unnecessary in commercial transactions involving experienced buyers and sellers as well as teams of lawyers. However, most requirements do not contain a commercial transaction or sophisticated buyer exception.

An example is the requirement to provide a Consumer Guide to Agency Relationships.

R.C. 4735.56 requires that each brokerage develop a written brokerage policy on agency called a Consumer Guide to Agency and imposes requirements for what it must include.

The Consumer Guide must include all of the following information:

1. An explanation of the permissible agency relationships available under section 4735.53 of the Revised Code and the duties that the agent owes the agent's client;
2. The brokerage's policy on representation of purchasers or sellers;
3. Whether at some time during the agency relationship the brokerage and its licensee may act as a dual agent, and the options and consequences for the client if a dual agency situation arises including the right of the client to terminate the agency relationship and seek representation from another source;
4. Whether at some time during the agency relationship, another licensee affiliated with the same brokerage as the licensee may become the exclusive agent for the other party in the transaction and whether each licensee will represent only the interests of that licensee's client;
5. The brokerage's policy on cooperation with other brokerages, including whether the brokerage offers compensation to other brokerages or will seek compensation from other brokerages;
6. That a brokerage that has a purchaser as a client represents the purchaser's interests even though the seller's agent or the seller may compensate that purchaser's brokerage;
7. That the signature of the purchaser or the seller indicates acknowledgment of receipt of the brokerage policy on agency.

R.C. 4735.56 also provides when the brokerage must present the consumer guide to a prospective buyer or seller.

A licensee acting as a seller's agent shall provide the seller with the brokerage policy on agency described in this section prior to marketing or showing the seller's real estate and shall obtain a signature from the seller acknowledging receipt unless the seller refuses to provide a signature. If the seller refuses to provide a signature, the licensee shall note this on the policy.

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The Commercial Corner continued...

A licensee working directly with a purchaser in a real estate transaction, whether as the purchaser's agent, the seller's agent, or the seller's subagent, shall provide the purchaser with the brokerage policy on agency described in this section and obtain a signature from the purchaser acknowledging receipt of the policy unless the purchaser refuses to provide a signature. If the purchaser refuses to provide a signature, the licensee shall note this on the policy. Except as provided in division (E) of this section, the licensee shall provide the brokerage policy on agency to a purchaser prior to the earliest of the following actions of the licensee:

1. Initiating a prequalification evaluation to determine whether the purchaser has the financial ability to purchase or lease a particular real estate property;
2. Requesting specific financial information from the purchaser to determine the purchaser's ability to purchase or finance real estate in a particular price range;
3. Showing the real estate to the purchaser other than at an open house;
4. Discussing, with the purchaser, the making of an offer to purchase or lease real estate;
5. Submitting an offer to purchase or lease real estate on behalf of the purchaser.

R.C. 4735.56 also provides that if the earliest event described in the proceeding paragraph is by telephone or electronic mail, the licensee shall disclose by that same medium the nature of the agency relationship that the licensee has with both the seller and the purchaser. The licensee shall provide the purchaser with the brokerage policy on agency described in this section at the first meeting with the purchaser following this disclosure of the agency relationship.

While a brokerage is free to customize the Consumer Guide to Agency Relationships to reflect their policy on agency, Rule 1301:5-6-05 of the Ohio Administrative Code describes in more detail what MUST be in the guide.

The Consumer Guide to Agency Relationships must be entitled "Consumer Guide to Agency Relationships". The title font size shall be no less than fourteen points. The guide must contain the brokerage name and fair housing logo. The brokerage may also include the brokerage logo, a brokerage franchise name or insignia indicating membership in a real estate organization. The name of any salesperson, team advertising name, unlicensed person or entity shall not be included. In addition the Guide must include the following:

1. The disclosures required pursuant to division (A)(2) and (A)(3) of section 4735.55 of the Revised Code, for housing accommodation and vacant land transactions only, in a font size of no less than nine points;
2. A disclosure that Ohio law requires the guide to be provided to prospective sellers, lessors, purchasers, lessees and the agent is required to obtain their signature acknowledging receipt of the guide;
3. A disclosure of the brokerage policy on customers that are un-represented;
4. All required disclosures in a font size of no less than eleven points;
5. A description of only those forms of agency permissible pursuant to section 4735.53 of the Revised Code.

Sample guides and additional information may be found at <http://www.com.state.oh.us/real/NEWBROKERINDEX/NewGuide.html>.

While commercial transactions are significantly different from typical residential transactions, a Consumer Guide to Agency Relationships must be provided in all real estate transactions.

Three Year Renewal Rule for Real Estate Salespersons and Brokers

- A. All licenses issued after January 1, 2006 shall be renewed on a three year renewal cycle in accordance with paragraph (C) of this rule.
- B. Licenses in effect on January 1, 2006 including inactive salespersons licenses, brokers licenses on deposit and suspended licenses shall be renewed in accordance with this paragraph in order to coordinate subsequent renewals with the licensee's continuing education requirements.
 - 1. Licenses for which continuing education is due in 2006 shall be renewed on the licensee's birthday in 2006 for a three year period for a fee that is three times the renewal fee for one year for that license.
 - 2. Licenses for which continuing education is due in 2007 shall be renewed on the licensee's birthday in 2006 for a one year period for the renewal fee for one year for that license.
 - 3. Licenses for which continuing education is due in 2008 shall be renewed on the licensee's birthday in 2006 for a two year period for a fee that is two times the renewal fee for one year for that license.
- C. All licenses renewed on a timely basis on or after January 1, 2007 shall be renewed for a three year period for a fee that is three times the renewal fee for one year for that license, and shall be due on the licensee's birthday in the calendar year during which the licensee's continuing education is due.
- D. For the purposes of this rule, "license" shall include real estate broker licenses issued in accordance with section 4735.06 of the Ohio Revised Code, and real estate salesperson licenses issued in accordance with section 4735.09 of the Ohio Revised Code.

Renewals mailed for 2006 will be for 1, 2, or 3 yrs. based on education due date:

Renewal time period	<u>Billed in 2006</u>
1 year.....	education due in 2007...in 2007 mailed a 3 yr renewal
2 years.....	education due in 2008...in 2008 mailed a 3 yr renewal
3 years.....	education due in 2009...in 2009 mailed a 3 yr renewal

	<u>SALES</u>	<u>BROKERS</u>
1 year renewal amount is....	\$ 39.00.....	\$ 49.00
2 year renewal amount is.....	\$78.00.....	\$98.00
3 year renewal amount is.....	\$117.00.....	\$147.00

PENALTY AMOUNTS:	<u>SALES</u>	<u>BROKERS</u>
1 year renewal	\$ 39.00	\$ 49.00
Penalty	19.50	24.50
Reactivation fee	<u>20.00</u>	<u>25.00</u>
	\$ 78.50	\$ 98.50
2 year renewal	\$ 78.00	\$ 98.00
Penalty	39.00	49.00
Reactivation fee	<u>20.00</u>	<u>25.00</u>
	\$137.00	\$172.00
3 year renewal	\$117.00	\$147.00
Penalty	58.50	73.50
Reactivation fee	<u>20.00</u>	<u>25.00</u>
	\$195.50	\$245.50

Department of Commerce Contributes to Hurricane Relief Efforts

In an effort to help those who were affected by Hurricane Katrina, Department of Commerce employees were allowed to dress casually for \$2 per day from Sept. 6 – 8. During those three days, the Department raised \$2,968 which they donated to the American Red Cross and Salvation Army.

During the Combined Charitable Campaign, the Division of Real Estate & Professional Licensing held a Garage Sale to raise money for the American Red Cross. All items were donated by employees. The Garage Sale was held on Sept. 30 in the Division's Hearing Room and raised \$103.00.

Also, the Division has fielded some inquiries from Louisiana real estate licensees who are relocating to the area due to the disaster. Ohio does not have reciprocity with Louisiana and therefore, cannot waive the requirements that apply to licensing. However, each caller was informed about our student loan program that provides for full funding of pre-licensing courses if an application is approved. The Ohio Real Estate Commission reviews and approves the applications for student loans, the funding of which comes through the Education and Research Fund.

AQB Seminar on 2008 Criteria Changes December 15, 2005

**Deadline for registration is
December 9, 2005**

Do You Need Official Verification of Your License?

Many times, real estate licensees and appraisers are required to provide documentation showing proof they are currently licensed or held a license at one time as well as verify their pre-licensure education. If you are asked to provide such information, you may request a certificate of licensure also known as a good standing certificate or license history. The fee for such certificate is \$20.00. All requests must be submitted in writing along with a check or money order payable to the Ohio Division of Real Estate. For both real estate licensees and appraisers, you must include in your request your name, file number, and address where you wish the certificate to be sent. If you need it to be sent directly to another state, please indicate that in your letter along with the appropriate address.

For sales agents and brokers, please send your request to the Division of Real Estate & Professional Licensing to the attention of Liz Exline, at 77 S. High Street, 20th Floor, Columbus, Ohio 43216-6133. If you have questions, you may contact us at 614-466-4100.

For appraisers, please send your request to the Division of Real Estate & Professional Licensing to the attention of Diane Burke, at 615 W. Superior Avenue, 12th Floor, Cleveland, OH 44113-1801. If you have questions, you may contact us at 216-787-3100.

Real Estate Disciplinary Actions

REVOCATIONS

LINDA L. SZOLLOSI, salesperson, Canal Fulton, Ohio, had her license revoked for violating R.C. 4735.18(A)(8), when she failed to check “yes” to the question “Have you been convicted of any unlawful conduct?” and when she failed to disclose a 1979 felony conviction for Grand Theft on an August, 2003 salesperson transfer/reactivation application.

MUHAMMAD GAMEL ELDER, salesperson, North Olmsted, Ohio, as the result of an investigation of a formal complaint, had his license revoked for violating three counts of R.C. 4735.18(A)(6), one count of R.C. 4735.18(A)(6) as that section incorporates R.C. 4735.56, one count of R.C. 4735.18(A)(5), and one count of R.C. 4735.18(A)(9) as that section incorporates R.C. 4735.58(B). Mr. Elder accepted a check from the buyer made out directly to the seller, rather than to the brokerage. He then failed to safeguard the money when he deposited the check into his personal account and failed to promptly return the money. When he issued a personal check, in an attempt to refund the money, the check was returned for insufficient funds. Finally, Mr. Elder failed to present the buyer with a company policy on agency and to present the buyer with an agency disclosure form.

SUSPENSIONS, FINES, EDUCATION

TERRY C. ABERNATHY, Liberty, Indiana, was assessed a civil penalty in the amount of \$1,000.00 for violating R.C. 4735.02, unlicensed activity, when he auctioned a property in exchange for a commission without having an Ohio real estate broker license.

KENNETH A. MYERS, JR., salesperson, Elyria, Ohio, was fined \$200.00 and was required to complete and to submit proof of completion of the ten hour sales post-licensure course for violating R.C. 4735.18(A)(6). Mr. Myers was convicted of a DUI and had his driver’s license suspended. On a sales transfer/reactivation application submitted to the Division, he checked “no” to the question: “Have you ever had a license of any kind refused, revoked, or suspended?”

MATTHEW C. FREEMAN, salesperson, Kent, Ohio, had his license suspended for a period of thirty days, which commenced on July 29, 2005. He was also fined \$1,000.00 and required to complete and to submit proof of completion of the ten hour sales post-licensure course for violating R.C. 4735.18(A)(8). Mr. Freeman’s license had been previously suspended in Florida, however, on a sales transfer/reactivation application submitted to the Division he checked “no” to the question: Have you ever had a license of any kind suspended, refused or revoked. Thereafter, the Division received a broker transfer/reactivation application on which Mr. Freeman checked “no” to a question if he had ever been disciplined for a license law violation.

PETE CYMBAL, broker, Parma, Ohio, as the result of an investigation of a formal complaint, was fined \$150.00 and was required to complete and to submit proof of completion of the ten hour brokers post-licensure course for violating R.C. 4735.18(A)(9) as that section incorporates R.C. 4735.57, when Mr. Cymbal provided the seller with an outdated agency disclosure form. In addition, he was fined \$150.00 for violating R.C. 4735.18(A)(9) as that section incorporates R.C. 4735.55(A)(2), when he used a written agency agreement that did not contain the correct fair housing language.

JAMES E. ROEDIGER, broker, Springfield, Ohio, as the result of an investigation of a formal complaint, was fined \$500.00 for violating R.C. 4735.18(A)(34), when he permitted an individual to act as an agent, in the capacity of a real estate salesperson, when their license was suspended.

GARY S. SCHLEGEL, salesperson, Cincinnati, Ohio, as the result of an investigation of a formal complaint, was fined \$500.00 and was required to complete and to submit proof of completion of a three hour course on agency for violating R.C. 4735.18(A)(9) as that section incorporates R.C. 4735.58(B)(1). The Commission found that Mr. Schlegel failed to provide an agency disclosure form to the purchaser prior to showing a property.

MORRIS GOINS, broker, Cincinnati, Ohio, as the result of an investigation of a formal complaint, was fined a total of \$600.00 and was required to complete and to submit proof of completion of a three hour course on agency and the ten hour broker post-licensure course for violating two counts of R.C. 4735.18(A)(6) as that section incorporates Ohio Administrative Code 1301:5-6-07, when he failed to use the required agency disclosure form with respect to the sale of two properties. He was fined \$2,500.00 for violating R.C. 4735.18(A)(9) as that section incorporates R.C. 4735.72(A)(2), when he negotiated and advocated on behalf of himself in a dual agency relationship. Finally, he was fined \$500.00 for violating R.C. 4735.18(A)(24), when he failed to keep complete and accurate records of all transaction documents.

RONALD C. MUMMA, broker, Springfield, Ohio, as the result of an investigation of a formal complaint, was fined \$1,000.00 for violating R.C. 4735.18(A)(35), when Mr. Mumma participated in the execution of a purchase contract, wherein he falsely indicated that he had received earnest money before the parties signed the contract. In addition, he was fined \$500.00 and was required to complete and to submit proof of completion of three hours of continuing education for violating R.C. 4735.18(A)(9) as that section incorporates R.C. 4735.56, when he failed to present the brokerage policy

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Real Estate Disciplinary Actions continued...

on agency prior to performing duties of the agency relationship. Finally, he was fined \$500.00 and was required to complete and to submit proof of completion of three hours of continuing education for violating Revised Code 4735.18(A)(9) as that section incorporates R.C. 4735.55, when he failed to include the proper fair-housing language in a listing/auction agreement.

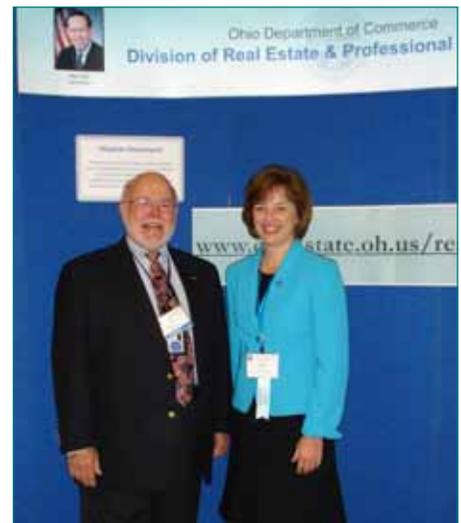
NATALIE M. JACKSON, salesperson, Springfield, Ohio, as the result of an investigation of a formal complaint, had her license suspended for a period of ten days, which commenced on August 27, 2005 and was fined \$1,000.00 for violating R.C. 4735.18(A)(35), when Ms. Jackson falsely indicated that she had received earnest money before the parties signed the contract. In addition, she was fined \$500.00 and was required to complete and to submit proof of completion of three hours of continuing education for violating R.C. 4735.18(A)(9) as that section incorporates R.C. 4735.56, when she failed to present the brokerage policy on agency prior to performing duties of the agency relationship. Finally, she was fined \$500.00 and was required to complete and to submit proof of completion of three hours of continuing education for violating R.C. 4735.18(A)(9) as that section incorporates R.C. 4735.55, when she failed to include the proper fair-housing language in a listing/auction agreement.

MATT vanLEUR, broker, Dayton, Ohio, as the result of an investigation of a formal complaint, had his license suspended for a period of thirty days, which commenced on August 5, 2004 and was fined \$1,000.00 for violating R.C. 4735.18(A)(6), when Mr. vanLeur noted on a purchase agreement that he had taken a specific earnest money amount, when instead an unspecific credit was given to the buyers. He was suspended 180 days, running concurrent with the thirty days, and was fined \$1,500.00 for violating R.C. 4735.18(A)(6), when he sold a property by land contract before having formally secured an ownership interest in the property from the sellers. He was fined \$500.00 and was required to complete and to submit proof of completion of a three hour civil rights course for violating R.C. 4375.18(A)(9) as that section incorporates R.C. 4735.55, when he listed property for sale utilizing outdated HUD language in the agency agreement. He was suspended for thirty days, running concurrent with the previous suspensions, was fined \$1,000.00 and was required to submit proof of completion of the 10 hour sales post-licensure course for violating R.C. 4735.18(A)(14), when he gave money to the buyers as an inducement for them to enter into a purchase contract, but failed to recite this inducement in the sales contract. Finally, Mr. vanLeur was fined \$500.00 and was required to complete and to submit proof of completion of a three hour course on agency for violating R.C. 4735.18(A)(6) as that section incorporates Ohio Administrative Code 1301:5-6-06(D), when he modified the agency disclosure form.

The Division Participates at the OAR Convention

The Division had a booth at the annual Ohio Association of REALTORS convention held at the Columbus Convention Center September 11th to the 14th. During the convention, the booth was visited by hundreds of real estate licensees. The major topic of discussion was the upcoming implementation of three year license renewals. The reaction of licensees was favorable to this combining of the renewal of their license and their continuing education. The licensees stated that making their birthday the date both are due will make the renewal process easier for them. Other topics of discussion were the information available on the Division's website and the implementation of the new computer system which will allow for additional services.

The Division also led the convention's Legal Issues Forum on Tuesday. Superintendent Kelly Davids, Division Counsel Bill Leber and Enforcement Manager Holly-Johnston Cook engaged in a lively and interactive discussion about current activities including cost-saving measures, the use of on-line applications and the benefits of the new computer system. The packed house expressed great interest in the particulars of three-year license renewal and the review of some of the more recent cases that have come before the Ohio Real Estate Commission.



Laird Eddie (left) and Superintendent Kelly Davids at the Division of Real Estate & Professional Licensing's booth at this year's OAR Convention

A Powerful Tool at Your Fingertips: The Division's Website

The Division of Real Estate & Professional Licensing's website has grown into a powerful tool for the real estate industry. Many of your questions can be answered and you can obtain important information at any time, including checking the status of your license through the "Look up Your License" feature. We are constantly updating and improving the site. If you have not visited www.com.state.oh.us/real for a while, look for these new features:

- A power point presentation and questionnaire fact sheet on Senate Bill 106. The Bill changed many administrative, enforcement and licensing and education regulations including Agency Disclosure forms and the new Consumer Guide to Agency Relationships. The feature also includes modules of the Consumer Guide to Agency Relationships.
- Continuing Education Course Look-Up: Use this feature to look for upcoming C.E. classes in your area. This will include online offerings beginning in January.
- Consumer Information Section: In concert with the Division of Securities' "Invest Smart" and the Division of Financial Institutions' "Borrow Smart", Real Estate & Professional Licensing has developed the "Buy Smart" consumer section.
- Research conducted at the request of and funded by the Real Estate Education & Research Committee. The latest report, *The Impact of Hardening in the Homeowner's Insurance Market on Ohio Residential Real Estate Brokerage Markets*, is currently available. This area will include all future reports and will soon house previous research papers.
- Revised Forms for the Real Estate Industry: The division has revised a number of its frequently used forms including Renewals, Transfer/Reactivations, and C.E. Compliance. We are no longer accepting outdated forms, so please download the latest version to avoid delays in the processing of your paperwork.
- A link to www.Business.Ohio.Gov a page dedicated to making government accessible to you and your business.

The Division also encourages real estate licensees to renew their license online. Each licensee is mailed a renewal notice 60 days prior to their license expiration date (the licensee's birthday). The renewal notice includes your secure Personal Identification Number that you will be required to enter at the online renewal site. You may renew at anytime during the 60 day window prior to midnight on your birthday. Some of the advantages to renewing online include:

- It updates your file immediately without the delays involved with mailing your renewal fee and waiting for it to be processed;
- It allows you to renew at **your** convenience anytime day or night;
- It insures that your transaction is secure by accessing your account using your own Personal Identification Number (PIN); and
- It provides you with an immediate, printable confirmation of your renewal.

To relay comments and suggestions for the site, please contact us at REPLD@com.state.oh.us.



Answers to Your Frequently Asked Questions

Commission Payments to Partnerships, Associations, Limited Liability Companies, Limited Liability Partnerships, or Corporations

A broker has authority to pay all or part of a fee, commission, or other compensation earned by an affiliated licensee to an entity mentioned in the title to this article if that entity is not licensed as a real estate broker and satisfies all of the following conditions, as set forth in R.C. 4735.20(C):

“(1) At least one of the partners, members, officers, or shareholders of the unlicensed partnership, association, limited liability company, limited liability partnership, or corporation holds a valid and active license issued under this chapter.

(2) At least one of the partners, members, officers, or shareholders of the unlicensed partnership, association, limited liability company, limited liability partnership, or corporation is the affiliated licensee who earned the fee, commission, or other compensation.

(3) The unlicensed partnership, association, limited liability company, limited liability partnership, or corporation does not engage in any of the acts specified in division (A) of section 4735.01 of the Revised Code.

(4) The broker verifies that the affiliated licensee complies with divisions (C)(1) and (2) of this section and keeps a record of this verification for a period of three years after the date of verification.

(5) The broker keeps a record of all of the following information for each transaction, for a period of three years after the date of the transaction:

(a) The name of the affiliated licensee who earned the fee, commission, or other compensation;

(b) The amount of the fee, commission, or other compensation that was earned;

(c) The name of the unlicensed partnership, association, limited liability company, limited liability partnership, or corporation to which the broker paid the affiliated licensee’s fee, commission, or other compensation.”

Remember that for purposes of this statute, an “affiliated licensee” is defined in R.C. 4735.20(J) as a “person who holds a valid and active license under this chapter and who is associated with the broker that is paying a fee, commission, or other compensation at the time that the fee, commission, or other compensation is earned.”

It’s Confidential and not a Public Record

Whether it is an appraiser or real estate enforcement investigation the rule is simple:

All information that is obtained by an investigator and the work products of the investigator or other department personnel that arise from that information are deemed confidential. What this means is that ordinarily only the complaint that is filed, precipitating an enforcement investigation case, is a public record; everything else in an enforcement investigation case file is off-limits to licensees, their attorneys and any one else from the public, unless it is later admitted during a public hearing. You will find these confidentiality provisions in R.C. 4735.05(D) for real estate cases and R.C. 4763.03(D) for appraiser cases.

Division Welcomes Its Newest Board and Commission Members and Salutes Those Whose Terms Have Ended

The Ohio Real Estate Appraiser Board welcomed its newest member, Brian W. Barnes, from Dublin, who was appointed by Governor Taft for a term ending June 30, 2008, replacing Robert Weiler, whose term expired. Mr. Barnes has a Bachelor of Arts degree from Baldwin-Wallace College. Mr. Barnes is the owner of Brian W. Barnes and Co., Inc.

The Ohio Real Estate Commission welcomed two new members. Shirley L. Davis, from Middletown, was appointed for a term ending June 30, 2010, replacing Lois Yeager, whose term expired. Ms. Davis has had her real estate license for 36 years and is an Associate/Broker and Assistant Manager of RE/MAX Unlimited Realtors.

David C. Paul, from Strongsville, was also appointed for a term ending June 30, 2010, replacing Dale Marks whose term expired. Mr. Paul has a Bachelor of Business Administration degree from Ohio University and is President and COO of Howard Hanna Smythe Cramer Company.

Robert Weiler, Lois Yeager, and Dale Marks were recognized for their years of service during special segments of the Appraiser Board and Real Estate Commission meetings. Accolades and certificates were presented by Appraiser Board Chairman Lawrence Kell, Real Estate Commission President Owen Hall, and Superintendent Kelly Davids.

THREE YEAR RENEWAL BEGINS JANUARY 2006



The Ohio Department of Commerce

State of Ohio
Department of Commerce
Division of Real Estate and Professional Licensing
77 South High Street, 20th Floor
Columbus, OH 43215-6133

Commission Members

Owen V. Hall, President
Cheryl A. Churchill
Shirley L. Davis
John P. Kennedy
David C. Paul

Appraiser Board Members

Lawrence A. Kell, Chairperson
Brian W. Barnes
Lytle T. Davis
Margaret A. Hambleton
Michael Koren

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Columbus Office

Voice (614) 466-4100
FAX (614) 644-0584
TTY/TDD: 1-800-750-0750

77 South High Street
20th Floor

Columbus, Ohio 43215-6133

Cleveland Office

Voice (216) 787-3100
FAX (216) 787-4449

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