



Matthew G. Bevin
Governor

K. Gail Russell, Acting Secretary
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Kentucky Real Estate Authority

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Authority Boards
Kentucky Real Estate Commission
Kentucky Real Estate Appraisers Board
Kentucky Board of Auctioneers
Kentucky Board of Home Inspectors

Heather L. Becker, General Counsel
Kentucky Real Estate Authority

SPECIAL MEETING

**Kentucky Real Estate Commission
MEETING MINUTES
September 25, 2018**

Commission Members

Lois Ann Disponett, Chair
Joe Hayden
Tom Biederman
Shirley McVay Wiseman
Billy Beckham
Tom Waldrop

KREA Staff

H.E. Corder II, Executive Director
Heather L. Becker, General Counsel
Alex Gaddis, Deputy General Counsel
Christi Moffett, Administrative Coordinator
Nick Van Over, KREC Licensing Coordinator
Hannah Carlin, KREC Education Director
Haley Bradburn, Board Administrator
Michael Spann, Investigator

Guests Present

This meeting was held at the KYR Annual Convention and Expo. Please see attached sign-in sheet for the list of guest attendees.

A special meeting of the Kentucky Real Estate Commission was held at the Kentucky Realtors Annual Convention and Expo in Louisville, Kentucky. The meeting was called to order by the Commission's Chair, Lois Ann Disponett, at 1:30 PM on Tuesday, September 25, 2018. A quorum was present. Commissioners and staff introduced themselves and guest members in attendance introduced themselves. Everyone was welcomed.

Approval of Meeting Minutes

In reviewing the August meeting minutes for approval, Commissioner Waldrop advised that he was uncomfortable with the motion made and accepted in August to amend the July meeting minutes to exempt the decision made regarding the 2018-2019 education grants. Commissioner Hayden made a motion to approve the August 16, 2018 meeting minutes with the exception of the amendment made to the July 19, 2018 minutes in regards to the education grants. Commissioner Biederman seconded the motion and it carried. [Note: The July and August meeting minutes were notated to reflect this exchange.]

Licensing Report

Nick Van Over presented the licensing statistics for the 2018 January to August totals. This was for information only and no action was required by the Commission. One hundred twenty-eight (128) new total licenses were issued in the month of August. The total number of current licensees including both sales associates and brokers stands at twenty-two thousand, four hundred nineteen (22,419).

Counsel Becker shared with the Commission a proposal granting legal staff standard settlement authority to offer agreed orders in failure to reaffiliate cases that would achieve greater efficiency in resolving this routine disciplinary matter so that a licensee is not in limbo waiting for the Commission's next meeting. Standards for either a failure to reaffiliate when the licensee's renewal is not an issue and standards for when it is, were laid out and presented. Deviations from the standard requests will continue to be brought before the full Commission. Commissioner Hayden made a motion to approve the proposed recommendation. The motion was seconded and carried. Director Corder briefly encouraged the room, sharing the importance of licensees providing KREC with two (2) email addresses as to help avoid reaffiliation issues.

In the matter of the reaffiliation cases for Sarah Brooks, Destany Lomas, Brian Miniard, and John Wallace proposed before the Commission, Commissioner Hayden made a motion to process them according to the standard settlement approved above. The motion was seconded and carried.

Two (2) KRS 324.425 request forms (request to close existing business of deceased or incapacitated principal broker) were brought before the Commission. In the matter of KRS 324.25 request for Rony Jo Ballou, Commissioner Hayden made a motion to accept. Commissioner Biederman seconded the motion and it carried. In the matter of KRS 324.25 request for Thomas Lockard, Commissioner Hayden made a motion to accept. Commissioner Biederman seconded the motion and it carried.

Education Report

Hannah Carlin shared with the Commission the documents before them for review.

Commissioner Biederman made a motion to approve the 2018 courses presented for approval. Commissioner Hayden seconded the motion and it carried.

Commissioner Biederman made a motion to approve the 2019 courses (effective January 1) that were presented for approval. Commissioner Beckham seconded the motion and it carried.

Online vs. Classroom Pre-licensing Pass Rates

During the August Commission meeting, the KREC Education Department reported on the statistics related to the number of applicants that opted to take online courses versus traditional classroom courses to obtain their pre-license education requirements. Commissioner Hayden requested that the Education Department delve further and provide the Commissioners with the passing rates regarding pre-license education providers, focusing specifically on the correlation between the passing rates and the method by which the pre-licensing requirements were met (online versus classroom). As with the initial report given at the August meeting, the data from PSI Testing Services is not exact. Before taking the licensing exam, each candidate selects the school in which he/she took the pre-licensing course. PSI does not require candidates to provide proof of education at the testing site. Therefore, a candidate could possibly select the wrong school, which would skew the data. The statistical report is limited to proprietary education providers that received approval from the Commission from November 2016 through October 2018. Accredited institutions and schools that were not approved during that time period are not included. The data reflects the cumulative number of passing and failing exams from each school listed on the report. According to the data received from PSI Testing Services, proprietary schools that only offer traditional classroom pre-licensing courses had a 44% passing rate from November 2016 to August 2018. Similarly, proprietary schools that only offer online pre-licensing courses had a 48% passing rate. The proprietary schools that offer both classroom and online pre-licensing courses had a 55% passing rate for the same time period. Hannah Carlin shared that from the statistics presented, it is clear that online pre-licensing courses are as effective as traditional classroom courses and there is not a huge difference. She also shared that PSI updated the national exam involving harder questions which may result in scores going down.

Failure to Complete 2017 Delinquency Plan

Hannah Carlin presented information surrounding a licensee currently in escrow (License #58740) who failed to complete his education delinquency plan. Commissioner Biederman made a motion that he be required to pay all fees and take core education within six (6) months of becoming licensed. The motion was seconded and passed.

PLE Extension Requests

Hannah Carlin brought two (2) post-license education requests from License #222066 and License #221869 before the Commission. Commissioner Biederman asked if any classes had been attended. It was shared that not even one class had been taken. Commissioner Biederman expressed that he felt it showed a lack of commitment. Counsel Becker shared information

surrounding a similar request from the July meeting to indicate how it had been handled then. Commissioner Biederman made a motion to deny the requests. Commissioner Hayden seconded the motion and it carried.

Committee Report

Applicant Committee

Commissioner Wiseman, Chair of the Applicant Review Committee shared that the Committee held their meeting the day before on the 24th and interviewed two (2) applicants, Sarah Barnes and Naser Eqal, and voted to recommend that the full Commission grant them licensure. Commissioner Beckham motioned to approve the recommendation for licensure, which Commissioner Biederman seconded, and the full Commission voted to approve.

Complaint Committee

Nothing to report at this time.

Education Committee

Commissioner Hayden introduced Ruth Ann Bowen with Kentucky Realtors Institute (KRI) and Larry Disney with Kentucky Real Estate Educators Association (KREEA) to speak. Ms. Bowen shared how they would like to work with KREC to improve education and introduced Mr. Disney to speak. Mr. Disney shared his background involving efforts to improve education as first a licensed agent and then broker. Mr. Disney read KREEA's mission statement, which is to promote and enhance professionalism while assisting to protect the public interest and trust in real estate education content, delivery, classroom management, and instructor performance. He also shared the following points:

- Professional Educators promote stringent requirements that are addressed in current laws, including Instructor training programs, and assistance to the KREC and staff for developing course content.
- Educational presentation categories include much more than the traditional classroom presentations, therefore each must be addressed accordingly.
- Course development and exercises must continually be aligned, not only with the examination content, but also the changes of real estate practices, laws and regulations.
- As Professional Educators, we do not think that groups such as ARELLO and IDEEC can fulfill what the commission may be looking for in all education course development and presentation styles. Instead, we feel the desired result can be achieved by working together, and Professional Educators can provide assistance to the KREC in developing possibly a more expedient and efficient system to address the current needs.
- Perhaps the KREC can also work with the professional Educator groups in Kentucky to develop consistent course content, develop mandatory instructor training, and use monitoring to evaluate the effectiveness of the courses.
- It is essential that the Education course and instructor development programs provide the best development for the licensees of all real estate licensing programs under the Kentucky Real Estate Authority umbrella.

Mr. Disney stated that they pledge their assistance to KREC to work on these initiatives, and thanked the Commission for the opportunity to be there.

Legal Report

Emails Re: Bed Bug Issue Being Added to Seller's Disclosure Form

Counsel Becker shared an email inquiry from the public asking whether the Commission would add bed bug disclosure to the Commission's required Seller's Disclosure form. After discussion, the Commission declined to amend the Seller's Disclosure form.

18-C-58, Respondent's Motion for Extension of Time to File Answer

An agreement in case 18-C-58 had been reached, and the Complainant intends to ask to withdraw the complaint. However, the motion to withdraw the complaint was not received in time to make it on the meeting agenda and therefore the Respondents filed a motion for an extension of time to file their answers if the complaint is not withdrawn. They request ten (10) days beyond the date they are notified of the Commission's ruling on the Complainant's motion to withdraw the Complaint. Commissioner Wiseman made a motion to accept. Commissioner Beckham seconded the motion and it carried.

Settlement in 14-KREC-160 (agency case 08-0168)

Counsel provided an update that the signed settlement agreement in the matter of 14-KREC-160 was received and stood ready for the Commission's dismissal. Commissioner Biederman made a motion of approval. The motion was seconded and carried.

Real Estate Authority Executive Director Comments

Director Corder thanked KYR for hosting the Kentucky Real Estate Commission meeting at the KYR Annual Convention and Expo and thanked everyone who came.

He provided a quick update on the regulation review initiative, sharing that the Board of Auctioneer's revised regulations have taken effect, the Board of Home Inspectors' filed regulations are in process, and the KREC regulations are currently in the works.

Most licensing processes can be accomplished online now and everyone was strongly encouraged to utilize the online system. He noted that six hundred fifty (650) licensees have not created their online portal and encouraged the group to keep their email address updated in their profile and to include two (2) email addresses to the Commission.

Director shared that when he first joined the Real Estate Authority he was stunned at the one hundred thirty-six (136) pending complaints to be addressed. He shared that the number of pending complaints has been reduced and now stands down in the sixties (60's).

Director Corder touched on raising the education standards. He also shared that only thirty-five percent (35%) of licensees have completed their CE or the year.

Director Corder opened the floor for any questions or comments. One individual asked what would be sent out in the way of regulation drafts. They mentioned that they need to know the changes to the law and regulations to be aware of needed adjustments to the education and testing materials and so forth and asked how they would be notified. It was shared that once regulations are filed they are not final and are still open to a comment period per the statutory process and could experience changes. Nick Van Over stated that KREC can contact PSI regarding any changes due to filed regulations. The individual asked if a summary or list of the changes could be provided. Director Corder responded that a summary of changes could be provided.

Commissioner Biederman asked to hear the Director's thoughts on a newsletter. Director shared that website updates are in process with the Commonwealth Office of Technology (COT). He also announced that the Real Estate Authority is rolling out a Facebook page where a lot of information will be relayed.

KREC Chair Comments

Chair Disponett opened the floor for any further questions or comments. There being none, she thanked KYR for hosting, everyone attending, and the KREA staff.

Next Meeting

The next regular meeting of the Kentucky Real Estate Commission will be held Thursday, October 18, 2018 at 9:00 AM at the Kentucky Real Estate Authority, 656 Chamberlin Avenue, Suite B, Frankfort, KY 40601.

Meeting Adjournment

Commissioner Hayden made a motion to adjourn the meeting. The motion was second by Commissioner Biederman and carried. The meeting was adjourned at 2:41 PM.



Kentucky Real Estate Commission

MEETING SIGN-IN SHEET September 25, 2018

(Please Print Clearly)

Name	Organization
Rick Bowen	KRI
H M [unclear]	LBAR
Barb Curtis	LBAR
Lisa Stephenson	GLAR
Nicole Trudtsan	Kentucky Realtors + KRI
Cathy Corbett	GLAR / HKAR / GORA
Irene Kosby	NKAR
Jim Collier	KYR - HEND - AVO BOARD
Tommy Clark	Greater Owenboro Association of Realtors
Christine Morgan	RASK / KYR
Sue [unclear]	SCKY Realtors
Meg Manning	Realtor Assn of Southern KY
Martin Jones	Realtor Assn of Southern KY
Robert Wayne Wyatt	South Central Kentucky Real Estate
PAUL GARDEN	GLAR
Steve Bagley	OKH
Kimberly Sickles	GLAR
Peggy Smith	OKH BOR
Jake Thompson	
Monti Collins	KBL



Kentucky Real Estate Commission

(Please Print Clearly)

Name	Organization
Kimberly Bridges	Murray - Calloway
Brian Stedelin	Murray - Calloway
M. Lynn ...	KYR
Steven ...	C. Kenie Rogers PLLC
Kenie Rogers	Murray BOR
Jill ...	NKAR
Pam ...	NKAR
Art Reed	NKAR
Joseph Don Cecil	NKAR
Brad DeVos	GLAR
Rick Phillips	KYR
Rhonda Richardson	Home Services of Ky
Rick Barkie	Somerset Lake Cumberland
Jenetta ...	Murray - Calloway
...	KY Realtors
Steve ...	" "
Bonnie ...	Murray BOR
Alice Carr	Madisonville Hopkins County BOR
Sandy Newell	raber@madisonbor.com
	Madisonville Hopkins Co BOR



1. 2018 Continuing Education Courses

Ashland Area Board of Realtors

Course Name	Instructor(s)	CE Hours
Kentucky Core Course	Dennis Stigler	6 law

GC Real Estate School

Course Name	Instructor(s)	CE Hours
<i>Formula to Sell Any Home</i>	Stacey Bauer, Rebecca Brown, Vickie Grimes	1 elective

2. 2018 Continuing Education and Post-Licensing Education Courses

Lexington Bluegrass Association of Realtors

Course Name	Instructor(s)	CE Hours	PLE Hours
Agents, Ethics, and the Law	Jonah Mitchell	3 law	2 mandatory (risk management), 1 elective

1. 2019 Continuing Education Courses

GC Real Estate School

Course Name	Instructor(s)	CE Hours
Formula to Sell Any Home	Stacy Bauer, Rebecca Brown, Vickie Grimes	1 elective

2. 2019 Continuing Education and Post-Licensing Education Courses

GC Real Estate School

Course Name	Instructor(s)	CE Hours	PLE Hours
Commercial and Investment Real Estate	Stacy Bauer, Rebecca Brown, Vickie Grimes	3 elective	3 elective
Disclosures: Seller's Disclosure of Property Condition and Lead Based Paint Disclosure	Stacy Bauer, Rebecca Brown, Vickie Grimes	3 elective	3 disclosure
Everyday Ethics in Real Estate	Stacy Bauer, Rebecca Brown, Vickie Grimes	3 elective	3 elective
Listing Contracts	Stacy Bauer, Rebecca Brown, Vickie Grimes	3 law	3 contracts
Managing Risk	Stacy Bauer, Rebecca Brown, Vickie Grimes	2 elective	2 risk management
Property Management	Stacy Bauer, Rebecca Brown, Vickie Grimes	3 elective	3 elective
Property Pricing and Residential Real Estate	Stacy Bauer, Rebecca Brown, Vickie Grimes	3 elective	3 elective
Qualifying the Buyer	Stacy Bauer, Rebecca Brown, Vickie Grimes	3 elective	3 elective
Real Estate Taxes: What Every Agent Should Know	Stacy Bauer, Rebecca Brown, Vickie Grimes	3 elective	3 elective
Red Flags: Property Inspection Guide	Stacy Bauer, Rebecca Brown, Vickie Grimes	3 elective	3 elective
Sales and Marketing 101	Stacy Bauer, Rebecca Brown, Vickie Grimes	3 elective	3 advertising
Sales Contracts	Stacy Bauer, Rebecca Brown, Vickie Grimes	3 law	3 contracts
Sustainable Housing and Building Green	Stacy Bauer, Rebecca Brown, Vickie Grimes	3 elective	3 elective
The Truth about Mold	Stacy Bauer, Rebecca Brown, Vickie Grimes	3 elective	3 elective

Title Insurance for Real Estate Professionals	Stacy Bauer, Rebecca Brown, Vickie Grimes	3 elective	3 elective
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