

# Washington State Real Estate Commission meeting transcript

November 14, 2024

Eddie Chang (00:00:03):

So you're on vacation all next week?

Keith Bruce-Jones (00:00:04):

Yeah.

(00:00:04):

Oops.

Sandra Barr (00:00:09):

Okay. The lobby has been admitted, and we're ready to begin. Great.

Eddie Chang (00:00:14):

So you're on vacation all next week?

Jennifer Clawson (00:00:14):

So good morning. I am Jennifer Clawson, the chair of the Washington State Real Estate Commission. It is now 10 AM on Thursday, November 14th, 2024, and I am calling this meeting to order. This meeting is open to the public. We'll take time at the end of the meeting for a brief public comment period. As a reminder, commissioners are not to engage in the conversation during the public comment.

Eddie Chang (00:00:39):

I'm coming in on that day, so...

Jennifer Clawson (00:00:40):

As a courtesy, I ask that all participants keep themselves on mute to reduce the background noise. When a commissioner would like to comment on a topic, please raise your hand in the raise your hand feature in Teams. Once I've called on you, unmute yourself, state your name for the record, and begin to share your comments. Please remember to mute yourself again after you finish speaking. Thank you.

(00:01:02):

And now we'll head into roll call.

(00:01:08):

And Sandra.

Sandra Barr (00:01:10):

Thank you. I'll start with you, Chair Clawson.

Jennifer Clawson (00:01:12):

Here.

Sandra Barr (00:01:16):

Thank you. Oh, sorry. Vice Chair Change.

Eddie Chang (00:01:20):

Yup.

Sandra Barr (00:01:21):

Commissioner Brazil.

Casey Brazil (00:01:23):

Here.

Sandra Barr (00:01:24):

Commissioner Bruce-Jones.

Keith Bruce-Jones (00:01:26):

Here.

Sandra Barr (00:01:27):

Thank you. Commissioner Schmitz.

Shelly Schmitz (00:01:29):

Here.

Sandra Barr (00:01:30):

Thank you. Back to you, Chair Clawson.

Jennifer Clawson (00:01:33):

Thank you so much. So now we'll move on to approval of the agenda. Is there a motion to approve today's agenda as presented?

Eddie Chang (00:01:43):

So moved.

Keith Bruce-Jones (00:01:45):

Second.

Jennifer Clawson (00:01:47):

Okay. Is there any discussion? Okay, all those in favor say aye.

Commission (00:11:39):

Aye.

Jennifer Clawson (00:11:41):

All those opposed say nay.

(00:11:44):

Are there any abstentions?

(00:11:50):

Okay, the motion to approve the agenda has been approved. We'll move on to the approval of the minutes. Is there a motion to approve the minutes as presented?

Eddie Chang (00:11:50):

Vice Chair Change, so moved.

Shelly Schmitz (00:11:50):

I second.

Jennifer Clawson (00:11:50):

Is there a second? Okay, so we have it moved and seconded. Any discussion on the minutes?

(00:11:50):

All those in favor say aye.

Commission (00:11:50):

Aye.

Jennifer Clawson (00:11:50):

All opposed say nay.

(00:11:50):

Are there any abstentions?

(00:11:50):

Okay, the minutes have been approved.

(00:11:50):

We'll now move on to section five of the agenda, which we do not have any awards or recognition for today. We can move on to our item number six, old business.

(00:11:50):

So this is for me, I wanted to give all of you an update on where we were with some staffing. We had been asked about providing some additional support to the real estate program, and we have done that in a couple of our areas. Other areas we still have a little bit of, we have a few vacancies, so I thought I would just go over that with all of you.

(00:11:50):

In our licensing and customer support team, we have added an additional customer service specialist to help with the phones, and they started in September. They were helping with phones and emails. We added two additional professional licensing representatives. And one started at the end of August, and the other one started in the middle of September.

(00:11:50):

And we have been... I was just looking to see, turning around our applications in about a 21-day window. We still want to improve that, but it was much longer before we added those additional team members. So we definitely are seeing the additional help make a difference.

(00:11:50):

And then on our auditing side, we had lost a few individuals due to retirement and promotion. So we are still working on recruiting some vacancies in that particular area. And we did hire an additional investigator on the investigation team, and that position started... It looks like it started the middle of October, so they're still in training. But what we're hoping to see when we come back to our next commission meeting in January is some stabilization in a couple of those areas and starting to see some of the days on the license, time to license continue to decrease, as well as helping with our investigations and audits being done a little bit more timely. So we'll continue to keep you all updated as we continue down that path.

Sandra Barr (00:11:50):

Any questions from the commissioners on that?

Jennifer Clawson (00:11:50):

Okay, then we'll go to our item number seven, our new business. And Ms. Schaeffer, I believe I turn it over to you.

Saundra Schaefer (00:11:50):

Thank you, Chair Clawson. And at the last meeting of each year, staff proposes 2025 or the following year's calendar for meetings. We are requesting that we continue the pattern that we had this year of Thursdays at 10 A.M. And the proposed dates are, excuse me, February 13th, May 15th, August 21st, and November 13th.

(00:11:50):

And just as a reminder, we do collectively staff does provide support for nine boards and commissions. This is what our calendar would look like, or does look like including all of the boards and commissions. And as you can see, we try to stagger the meeting so that we don't have any overlap. That way we can provide equitable support for all of our boards and commissions. And this would require a motion in order to be approved.

Jennifer Clawson (00:11:50):

Can you move it back to the calendar that just shows the commission meet- There we go. Okay. So these are the dates that we're looking for a motion and a vote on, correct? Oh Eddie, you have your hand up?

Eddie Chang (00:11:50):

Yeah. Last year we had talked about doing four meetings and one of them in person perpetually. Is it still something that we are considering for 2025?

Jennifer Clawson (00:11:50):

Yeah.

Sandra Barr (00:11:50):

I can take that.

Jennifer Clawson (00:11:50):

Oh, go ahead.

Sandra Barr (00:11:50):

Yeah, I can take that. We are still planning to have at least one of the meetings in person over the summer quarter to allow ease of travel. So that is something that you'll also present to the board probably at the May meeting.

Eddie Chang (00:11:50):

Thank you.

Shelly Schmitz (00:11:50):

So the May meeting would be the in-person meeting, Sandy?

Jennifer Clawson (00:11:50):

No, the May meeting would be-

Sandra Barr (00:11:50):

We would present it in May for an August.

Jennifer Clawson (00:11:50):

For August, okay.

Sandra Barr (00:11:50):

For August.

Jennifer Clawson (00:11:50):

Yeah. And if I can add, similar to what we did in 2024 this year, we would need a quorum of folks that would be able to participate in person in order to schedule that. Just to justify it in the budget.

Commission (00:11:50):

Vice Chair Change... Oh, Casey's raised his hand.

Jennifer Clawson (00:11:50):

Go ahead, Casey.

Casey Brazil (00:11:50):

Yep. Commissioner Brazil. I think the dates look great. No issue here. And I think having one in-person meeting per year is always a really good thing.

Jennifer Clawson (00:11:50):

Right. Any other...? Oh, go ahead, Eddie

Eddie Chang (00:11:50):

Vice Chair Change. I would like to move to approve these four proposed dates for the commission meetings in 2025.

Sandra Barr (00:11:50):

I second.

Jennifer Clawson (00:11:50):

Great. So we have a motion and a second. Any other discussion?

(00:11:50):

Okay. All in favor, say aye.

Commission (00:11:50):

Aye.

Jennifer Clawson (00:11:50):

All those opposed say nay.

(00:11:50):

Are there any abstentions?

(00:11:50):

Okay, great. So we have the calendar approved for 2025 with a conversation in May to talk about the in-person meeting, make sure we have a quorum. Great.

(00:11:50):

Okay, now we'll head on to 7.2, the annual election of vice chair. Sandra Schaefer, I'm going to turn it back over to you again.

Sandra Schaefer (00:11:50):

Yep, that's me again. And similar to the calendar, each year we provide the opportunity for commissioners to nominate a vice chair. It cannot... Excuse me, I can't words right now. Members can self nominate or nominate another one of the commissioners on the board. And after discussion, this is another item that would need a motion and approval.

Jennifer Clawson (00:11:50):

Okay. So at this time, do I call for nominations? And it looks like Commissioner Brazil has his hand up.

Casey Brazil (00:11:50):

Yes. I'd like to nominate Eddie to be vice chair again for next year.

Jennifer Clawson (00:11:50):

And then does Eddie need to accept that nomination before we go further, or...?

Sandra Schaefer (00:11:50):

Yes. So because of the time commitment, the additional time commitment, he would need to accept if he wants to.

Eddie Chang (00:11:50):

I've done this for two years. If nobody else wants to do it, I'll do it again. I do like making sure other people have an opportunity to participate in the manner that they want to though.

Jennifer Clawson (00:11:50):

Okay, so do we have any other nominations?

(00:11:50):

Okay, so it looks like we need a motion for the vice chair nomination of Eddie Chang. For the motion?

(00:11:50):

Okay, so I have a motion and the second. Any additional discussion? Okay, all those in favor say aye.

Commission (00:11:50):

Aye.

Jennifer Clawson (00:11:50):

All those opposed say nay.

(00:11:50):

Are there any abstentions?

Eddie Chang (00:11:50):

I'll abstain.

Jennifer Clawson (00:11:51):

Okay. The motion for Vice Chair Change has been approved. So congratulations! You get to be the vice chair again!

Eddie Chang (00:12:03):

Thank you.

Jennifer Clawson (00:12:05):

Yeah, thank you for your help.

(00:12:08):

Okay, so now we're going to move into our subcommittee report out. And the first subcommittee is on the education subcommittee. And I will turn it over to, I think, Shelly.

Shelly Schmitz (00:12:22):

Yes. So Commissioner Schmitz here.

(00:12:27):

So majority of my update will honestly be on ARELLO. But just a few things that we had covered on the education subcommittee was, we are gearing up for an ongoing review of the PSI curriculum outline. We will review real estate practices, real estate advanced practice, advanced Washington real estate law, real estate business management, and real estate brokerage management.

(00:12:57):

We are also continuing to pursue the option for trainers to receive CE clock hours for classes that they teach. And this will be a topic that we will focus on in 2025.

(00:13:11):

We're also, as requested by the commission, a summary of the most recent real estate exam pass and fail rates. Additional detail breakdown by school can be found on the link, and I believe that will be in the packet. And then for the ARELLO, and bear with me as this was a big conference, so I took a lot of notes. So it's kind of a little bit bigger of an update.

(00:13:40):

But first of all, Tim Allen and I attended the ARELLO conference in September, and I want to say thank you to DOL for sending us. It was very informative, and I believe that with continued attendance it will keep Washington relative to the issues and the leader in the regulatory and education of the real estate industry.

(00:14:05):



My update today is a broad overview of what we heard. But I do want to mention that ARELLO, for those that don't know what that stands for, it stands for Association of Real Estate Licensed Law Officials. So part of ARELLO is a committee, it's their exam accreditation committee, and they review exam providers every five years. They look at the method and structure of the exam, the outlines that are being used. And the exam providers do provide samples of the exam to the committee, and then the committee does review those. PSI was re-certified last year, and this Pearson View was re-certified.

(00:14:54):

There were many, many speakers at this conference, and they addressed a wide range of topics. One of the biggest topics was the future of the industry due to all the changes this year. Everyone was talking about it. And out of that, one of the topics was buyer agency. And it was mentioned multiple times that buyer agency is not going away, it is still needed. And through this, they had thrown out a few statistics. And some of them were, in 2023 for sale by owners were 7% of the market, and the highest percent of use of a realtor was last year.

(00:15:43):

There was also a survey taken by one of the speakers, and the survey was asked among the public. And 51% said that customer service was more important than price. 70% said that convenient experience was more important than price. 80% of the people will go out of their way to do business with a company that provides better service. And just as the public in general, as a society, we are willing to pay more for convenience.

(00:16:20):

Then I was also asked: when buying or selling and using a broker, which is more valuable? And about half said both were of equal value. People want help with this experience is what came out of this survey.

(00:16:38):

And then of course there are many business models, and some will continue and we will see some change. Professionalism was addressed with multiple speakers. A lot of the things that came out of that were: how does a broker show their value? Every state handles the what we'll call the NAR settlement differently with their law changes and forms. And due to that, there is confusion nationwide on how to handle all of these changes.

(00:17:14):

It was mentioned that Washington is on target with our agency changes and agency form. And just a little side note, I felt a little bit like a celebrity. Because when people noticed I was from Washington, they would come up and immediately start talking about how we made our law change back in January, and how we were handling our law changes along with the settlement. Many thoughts on how compensation will look in the future.

(00:17:47):

And then dual agency came up a few times, and it was discussed with many seeing this as a type of agency that will no longer be. Many regulators and E&O insurance companies are

having concerns, many feel misrepresentation claims will rise. Much discussion on fair housing and how the settlement and agency laws will affect this in a potential negative way.

(00:18:15):

Professionalism, from a regulatory side, brokers do not like to complain about another because they need to do business with them, is kind of the sentiment that was out there. And because of this, the regulatory side does not always know when brokers are working outside the rules and law. This weakens the professionalism of the industry.

(00:18:37):

Anonymous complaints were discussed. One of the challenges is that the details of the complaint will show who sent in the complaint. So then you're not so anonymous. Another challenge was encouraging people to file complaints with DOL. How do we convince people that holding each other accountable to doing what we should be doing is a good thing? Public does not know who to go to. Educating consumers on what should happen in a transaction, what is acceptable and what is not. Public thought something was wrong, and it was not. Expectations of the transaction.

(00:19:19):

From a regulatory experience, so there was a gentleman that spoke and he was with the DOL. And he said that most complaints that he sees and that he hears about, even though the person complaining thought that the broker did something wrong, they actually didn't. And that is just a lack of education on the process of a sale.

(00:19:45):

And then AI was another big topic. Many felt that brokers need education on using AI. A lot that was said was educate, educate, educate, was the answer to many questions.

(00:20:00):

With all the conversation around professionalism came the topic of entry standards. Do we raise the barrier? If so, does that make it too challenging for people to enter? Different states shared their rules for getting a license when you are already licensed in another state. There was discussion around: do you increase education hours to improve professionalism, or is learning from a mentor better? Would oversight with specific metrics help?

(00:20:30):

It was shared that things seem to work well when there is collaboration and cooperation between DOL and the industry working together. And then just from a personal note, I just left with the thought at the end of all of this, with all the changes, how will the future look?

(00:20:49):

So it was a really great experience. And once again, thank you to DOL. And if Tim is on this call, if he has any update that I might've missed or anything to add. But pretty much across the nation, I will say we are all having the same conversations.

(00:21:13):

That is all for my update.

Jennifer Clawson (00:21:18):

Thank you so much. And I'm not sure if Tim is on the call, if he has anything else to...

Tim (00:21:27):

Yes, I am. No.

Jennifer Clawson (00:21:27):

Oh, there you go.

Tim (00:21:30):

Thank you. No, Miss Shelly covered it very well. And I'll also share sentiments. Thank you for allowing us to attend. It is definitely educational. Definitely attending these, we can also see that we're generally at the forefront on what's going on in the industry, which is also good to know. So thank you.

Jennifer Clawson (00:21:49):

Great. Thanks, Tim.

(00:21:50):

Okay, any questions from the commissioners on the report out?

Eddie Chang (00:21:58):

Sounds like you feel like we should do it again next year.

Shelly Schmitz (00:22:02):

Yes. I believe they have one in April. I don't have their calendar. Tim actually may know exactly the dates on it, but I believe they do one in the spring. They'll do two a year, spring and fall. Personally I would love to see that we attend both.

Eddie Chang (00:22:25):

Thoughts on that, Jennifer? In terms of our budget and stuff?

Jennifer Clawson (00:22:28):

Yeah, we usually do budget to attend both conferences. And so it will come back, I believe... I'm going to look at CND here for a second. I believe it comes back to the commissioners to see who goes.

Sandra Barr (00:22:42):

That's correct. We'll have this as an agenda item for our first meeting of the year next year in February to get whoever would like to attend.

Eddie Chang (00:22:56):

So it looks like their mid-year is April 14th to April 16th in San Diego. And then 2025 is September 9th through 12th in Miami.

Tim (00:23:11):

You're correct.

Jennifer Clawson (00:23:15):

Yep. So we'll bring it back here. We also look at the agenda. I know Tim usually attends for us. If there's other topics that are being covered that's important for other parts of our division to go, then we also ensure that we have the right representation from an agency standpoint as well as the commissioner.

Eddie Chang (00:23:34):

It sounds like Bruce has his bags packed already.

Jennifer Clawson (00:23:42):

Okay, great. Well thank you for the great report out.

(00:23:46):

We'll move on to 8.1.2, record keeping definition subcommittee.

Keith Bruce-Jones (00:23:51):

I think that would be me. Is that correct?

Jennifer Clawson (00:23:59):

I think so, yeah.

Keith Bruce-Jones (00:24:01):

Excellent. Hi, everybody. My name is Commissioner Bruce-Jones. Still a little bit strange to say it that way. Happy Veterans Week for those of you that served. I've been meeting with Casey Brazil and the staff at the DLL. And what's funny is, I recently got out in I think July. And I was like, wow, I was totally blown away by her professionalism. But also it's just like, I didn't know that, and I've been doing this 30 years! And she said, "Hey, go look at our web page." Which they updated their web page, and sure as heck, if you look at the updated web page on the DOL for the real estate audits, everything is there.

(00:24:51):

Oh by the way, please forgive me. Former military guy. I do sort of drop bombs every now and then. So I'll try to be my best. But sure as heck, if you go to the web page, totally everything you're going to need there.

(00:25:05):

But if you look at a lot of small offices or petite firms like what I'm part of, or when I was managing at Windermere, we had a full staff to help with all of that. And I'm saying, well, some of us smaller firms, we need a little bit more help, more hand holding. So what we've been

discussing is ways that we could maybe get the word out even more. Because let's face it, Keith Bruce is not going to go to the DLL page every week and look for updates.

(00:25:35):

And so I'm looking for, I was suggesting anyway, like what if we were able to increase the interaction with the Northwest multiple listing service? Now mind you, I know more Northwest multiple listing service are probably sitting there going, "What the heck is he talking about? He hasn't talked to us about this." But I was looking at what if we could figure out to exchange more information with... We have a great product there called transaction desk. Could we help the smaller firms set up transaction desk that's going to help out with the meet the state's audit request on their site, things like that. Is there a way that the DLL real estate site could put out something once a quarter to help us stay up to date on changes?

(00:26:22):

But sure as heck, if you go to the page, there is a place where brokers can sign up to get updates on rules. But Keith being Keith is a little lazy. Is there a way we could broadcast it on to multiple listing service? And things like that.

(00:26:36):

So basically I'm just looking for ways to increase communication with some of the trainers on the multiple listing service to help people set up transaction desks to better meet the needs of the DOL for audits and also for announcements. And I think that's pretty much what we've been talking about with Mr. Brazil. So that's it.

Jennifer Clawson (00:27:00):

Great, thank you. Any questions from the commissioners?

(00:27:10):

Okay. I think you bring up some really great points of how we can help, or maybe there's some additional work that we can do even from our end to help with some of that, the bigger firms versus the smaller firms, and how to get the information out so you can all keep up to speed. But it's always great to hear kudos about our team when they come out for an audit and are professional and helpful.

Keith Bruce-Jones (00:27:36):

Oh, she was amazing. I don't want to say her name, because I don't want to embarrass her, but she was amazing. So I really learned a lot from her.

Jennifer Clawson (00:27:45):

Great. We appreciate that. Great. Well, thank you.

(00:27:50):

And we'll head on to our next subcommittee report out of the team name subcommittee. And I believe... I'm not sure which one, who is reporting on this one?

Eddie Chang (00:28:08):

Shelly, because I was not able to make the subcommittee meeting on the talk. Can you do the report out? The sum up?

Shelly Schmitz (00:28:18):

No. I have what we have here, that we determined that we determine that we need additional information from DOL leadership. And in order to establish a plan for the next steps, and that we have questions on whether and how any changes can be made to the statute.

(00:28:42):

And then the meeting on the 12th, I was not there. And Bill Dutra was scheduled to attend that meeting and answer any questions that we have. But we don't really have much of an update from that end.

(00:29:01):

I'll be honest, I think this will be really going into to have multiple conversations. Because it kind of sounds like it would be a simple topic, and it is quite involved. And so hopefully 2025 will have good direction and moving whatever direction we need to move with that. But this has been quite the topic. And learning how the world works when you are addressing something such as team names, as there are just so many different pieces to this that need to be addressed. And it will probably have to go to the legislature for it, and that's a really, really big lift.

Eddie Chang (00:29:52):

Thank you.

Jennifer Clawson (00:29:53):

So for the next subcommittee, are you all requesting a little bit more support from DOL's side, a subcommittee meeting? Is that what I'm hearing?

Eddie Chang (00:30:06):

I think for the next subcommittee meeting we need to... We tried to go about it from the side and without doing legislative work. But it's becoming clear that that's not really going to be possible, so we're going to have to gain plan on legislative work instead.

Jennifer Clawson (00:30:27):

Okay. So I guess maybe Sandy, this is for you. While you're building your agendas for the subcommittee, if you need some additional support from Bill or myself or another team member, just make sure that you let us know.

Sandra Barr (00:30:46):

Of course. Thank you very much. We'll make sure that we invite Mr. Bill Dutra to our next subcommittee meeting as well.

Jennifer Clawson (00:30:55):

Great, thank you.

Shelly Schmitz (00:30:59):

And can I just say, I think I'm going to need an update on the dates and times for that committee as we're rolling here into 2025. If you could help update Eddie and I on that.

Sandra Barr (00:31:14):

Sure thing. Of course we'll be able to send out updated meeting invitations for 2025 for that.

Shelly Schmitz (00:31:20):

Okay, perfect. Thank you.

Sandra Barr (00:31:22):

You're welcome.

Jennifer Clawson (00:31:24):

Okay, great. Any questions from the commissioners around team names in the subcommittee? Sounds like we'll be hearing more in 2025.

Sandra Barr (00:31:35):

Yes.

Jennifer Clawson (00:31:36):

Okay. It is a big topic. It is a very big topic.

Eddie Chang (00:31:41):

For anybody in the governor's office that's listening, we need the last two commissioner positions filled, because we are running thin.

Jennifer Clawson (00:31:50):

Yeah, they have informed us it will happen after the new governor takes office.

Eddie Chang (00:31:55):

Okay.

Jennifer Clawson (00:31:56):

There won't be any more decisions until after January.

Eddie Chang (00:32:01):

Okay.

Jennifer Clawson (00:32:02):

Yeah, this isn't the only board that we're short on.

(00:32:07):

Okay. Our next report out would be 8.1.4, transaction coordinator subcommittee. Commissioner Bruce-Jones, I believe this is you.

Keith Bruce-Jones (00:32:23):

Yes, I believe. Did we not kick this one 'til next year? Did we want to put this one off because of everything going on last year, is that correct?

Sandra Barr (00:32:35):

Yeah, I can help with that just a little bit. We had decided that we were going to pause the transaction coordinator subcommittee meetings until 2025, because we are a few short on our positions for commissioners. And we will go ahead and pick this work back up again next year.

Keith Bruce-Jones (00:32:58):

What I'm pretty sure, during the public comment section there are a couple of transaction coordination companies that wanted to speak today, but that's later today.

Sandra Barr (00:33:08):

Correct.

Jennifer Clawson (00:33:13):

Okay. And it looks like our last subcommittee report out is 8.1.5 on Senate Bill 53-99. And vice chair Change, it looks like you are up.

Eddie Chang (00:33:28):

Thank you. For those of you who haven't seen this before, substitute 53-99 was a bill regarding future right to list purchase contracts, which is a contract that guarantees an exclusive right to list real estate in future years. But in the future, there was two firms that were running around basically offering very minute sums for a 40-year guaranteed right to list. We have a report due to the...

(00:33:59):

Future listing, right purchase contracts. We also did four surveys and held two listening sessions. A detailed report was compiled by Taylor with the help with the reviews of DOL, the subcommittee, as well as Attorney General, with the report having already been sent to the legislature. So the subcommittee work has been complete.

Jennifer Clawson (00:34:50):

Great. Any questions?

(00:34:56):

Okay, great. Thanks for the report out.

(00:35:00):

Now we'll head into our 8.2, which is our report outs on our complaint case count reports. And Nathan Buck, I believe you are up.

Nathan Buck (00:35:15):



Yes. And good morning, everyone. My name's Nathan Buck. I'm the program manager for the Real Estate Investigations and Audit programs.

(00:35:23):

So to go into this, we have currently 337 cases pending investigation. We have 14 that are currently in our legal compliance section. We have 44 that are pending management review. And one that's in a reopened status. The 44 and the one are still considered in our investigation status as well. We have closed as of 1 January to October, we have closed 374 cases. And then we'll go to the next slide.

(00:35:58):

So our common complaints are still kind of similar to the last report out. We have the common complaints of the broker did not perform duties of a broker, misrepresentation in the transaction, and advertising issues. As far as potential violations identified for post-investigation, we have failure to exercise skill and care, failure to advertise by adding firm name as licensed, and failure to cooperate with an investigation. So with those, do we have any questions for that area?

Eddie Chang (00:36:37):

Is a failure to cooperate with the investigation common?

Nathan Buck (00:36:42):

Currently it is. So we are still reassessing that information. As we continue on, we are starting to see a little bit less in that as we continue to move forward.

(00:37:01):

And with that, I think our next... Give it to Sandy, or next will be Jessica.

Sandra Barr (00:37:13):

Next up is Jessica.

(00:37:21):

Oh, I don't see Jessica here. So I'm going to go ahead and step in for her. After the violations are identified, they go to the regulatory compliance unit. And the most common action taken to resolve those confirmed violations are license revocation or suspension, continuing education, or some kind of fine. And those top three actions taken haven't changed since the last meeting. Are there any questions on that?

Eddie Chang (00:37:59):

I just wanted to follow up on the question from the last meeting, which was in the past we've published these violations so that the consumer can be protected and know who they're dealing with. And I know that there were some concerns from the attorney general's office. Has there been any news about whether or not we can start publishing them again, or what the process is going to be like this to make sure that we are protecting consumers?

Sandra Barr (00:38:29):

No, I don't have an update for you on that yet.

Eddie Chang (00:38:35):

Thank you.

Jennifer Clawson (00:38:39):

We are still working on it, Eddie, we just haven't been able to get a conclusion yet.

Sandra Barr (00:38:49):

Okay. Are there any other questions?

(00:38:53):

Okay, well let's go ahead and move on to the licensing count, and I'll go ahead and take that as well.

(00:39:00):

As you can see here are the current licensing counts as of October 21st of this year. We do have them broken out into age groups as well as to brokers and managing brokers. But I'm just going to touch on the totals. So far, for the totals of active brokers, we have 34,547. And the total for active managing brokers are 8,138. Next slide please.

(00:39:36):

And here we have the new issue licenses versus the renewals. So far this year, we have had 2,490 new issues, and for renewals we've had 16,518. And as you can see, the green line is the renewals, and then the blue line is the new issues. Next slide please.

(00:40:07):

We were also asked to provide active licensees over time. So going back to 2020, here you can see how the active licensing counts have changed from 2020 through 2024. And as you can see, 2022 was the biggest year that we have so far. Next slide please.

(00:40:34):

And here's the same information over time, but we have broken it out into the different licensing type, as managing brokers, brokers, firms, branches, instructors and schools. And each color is represented by a different year. So it's just the same information, just a little bit different in view.

(00:40:59):

And here we have the licensing account reports for real estate firms. For firms, we have 4,180. Real estate branches, we have 582. For real estate firm name counts, assumed names, we have 784. For doing business as names, we have 2,085. For entity names, we have 3,698. And for the blank category we have 20.

(00:41:40):

And moving on to the customer call and email data. So far for the third quarter, we have answered 897 emails in August and 900 in September. For customer calls, over 1,700 in August

and over 1,600 in September. Our percentage of calls answered is increasing. It was just over 86% in August, and it was up to 88% in September. I don't have the October numbers, but they are trending up. And the average talk time for each call is just right around four minutes. And with that, are there any...? Oh, there's one more slide.

(00:42:29):

We do have the pass and fail rates, and this is something that the education Subcommittee reported out on earlier. Thank you to Commissioner Schmitz. This is something that the education subcommittee will be digging into and will be reporting out on in the future. There is a full report that is published on the DOL website, but here are the highlights.

(00:42:53):

For the managing Broker national exam, the total pass rate is 78%. For the managing broker state, the total pass rate is 54%. For the broker exam, the national test is, the total pass rate is 51%. And for the state broker exam, the total pass rate is 61%. So as you can see, the pass-fail rates have been increasing. And this, as I said before, this is something that has been given to the education subcommittee. They will be digging into this data, and we'll be reporting out on it in the future. And with that, I'm happy to answer any questions about the licensing reports.

(00:43:50):

Oh yes, Commissioner Schmitz.

Shelly Schmitz (00:43:52):

Sorry, it's a little slow there. I don't really so much have a question as I just want to say thank you to everyone answering those emails and phone calls and helping with all that. I know that this has been a topic on every single one of the meetings and everyone has worked so hard to help keep those rates continuing to go up. So thank you, because I know it's challenging. And for some reason that four minute phone call is so impressive to me, because I have a hard time saying hi in two minutes, so I don't know how one gets through a call in four. But thank you. You guys are doing a really good job.

Sandra Barr (00:44:40):

Thank you so much. Right, are there any other questions?

(00:44:50):

All right, thank you very much.

Jennifer Clawson (00:44:54):

Well, I think you're next too on the 8.4. I think you continue.

Sandra Barr (00:45:00):

Yep, that's me too. So here we have the housing market report, which is available at the Washington State University Center for Real Estate Research. They have their own website, and there are several different reports that are available. The website is on your screen right now, but I'm just going to go over the highlights of the second quarter report. The third quarter report hadn't been published by the time we put these meeting materials together, but we do

expect them published any moment now. So we encourage everyone to go to that website to get the most up-to-date information. And with that, let's go ahead and move on to the next slide.

(00:45:45):

So the second quarter housing market report highlights the existing home sales rose in the second quarter by 0.8% compared to the first quarter. However, they're down about 16% compared to this time last year. Building permit activity also fell about 13% from this time last year as well. Next slide.

(00:46:12):

The median priced home sold in Washington during the second quarter was right around 695,000, which is 6.1% higher than last year. Housing affordability fell for both medium income and first time buyers from the previous quarter. And the median income buyer housing affordability index stayed above a hundred affordable in only three of Washington's 39 counties. So that data is trending a little bit differently for those three counties as compared to the rest of the state. Next slide please.

(00:46:56):

There were a total of 8,656 residential building permits that were issued during the quarter, but only just over 4,000 of those, 4,941, were single-family building permits. Next slide.

(00:47:17):

For the second quarter there was a 2.2 month supply of housing. That's a slight increase compared to the first quarter. The first quarter was a two-month supply. And that is also up from this time last year by 1.8 months. There were a total of just over 15,000 homes available for the sale at the end of this quarter.

(00:47:42):

And with that, are there any questions about the highlights for the housing market report?

(00:47:51):

Okay, great. Like I said, go ahead and go to the Washington Center for Real Estate Research website. They have a ton of tools and a ton of different types of reports available. And thank you very much.

Jennifer Clawson (00:48:10):

Thank you, Sandy. And now we'll head into our master action item list.

Sandra Barr (00:48:15):

Okay, I'll take this one too. So this is just a quick update on the recruitment to fill the two vacant commissioner seats, and I know Chair Clawson had touched on this a little bit. We have concluded having discussions and conversations with each of the candidates. We have already compiled and forwarded our notes through the DOL chain of command, and it has all been submitted to the governor's office. We did get word back from the governor's office that there won't be any appointments made until after January until the new governor takes his position.

(00:48:58):

Are there any questions about that?

(00:49:05):

Okay, well as soon as we know anything we will bring it back and add this to the master action item list for the next meeting.

Jennifer Clawson (00:49:17):

Great, thank you. So now we'll head into the public comment portion of our agenda. I will now open the floor for the public to address the commission and share their thoughts, concerns, and requests. Written comments may be submitted at least two days prior to the meeting by emailing DOL Boards at [dol.wa.gov](mailto:dol.wa.gov). Members of the public, while you're addressing the commission, please remember each member of the public is limited to one three minute comment. Comments submitted in writing count as your three minutes. Comments must be on matters within the commission's jurisdiction. Commissioners are limited to directing staff to study the matter further or requesting the matter be scheduled for a later discussion.

(00:49:58):

I ask Ms. Barr whether any comments were submitted in writing. If so, can you read those comments?

Sandra Barr (00:50:04):

We have not received any written comments.

Jennifer Clawson (00:50:07):

Okay, so I call on the public members with their hands raised. Sandy, are you going to do that? We'll call on them.

Sandra Barr (00:50:15):

Yes, I am. So the first one we have is Mary Hildreary, please come off mute and let us know what you're thinking.

Mary Hildreary (00:50:24):

Hi, good morning everybody. Thank you for the opportunity to address you today. I'm Mary Hildreary on behalf of Washington Realtors.

(00:50:32):

My question and request is kind of part and parcel to the research and statistics report that Sandy just reviewed from the WCRER. And wondered if the commission might consider also including licensing data in that report. It did seem interesting to me in looking at some of the licensing trends specific to the pandemic have been a little bit more hyperbolic than I have personally seen in my 20 years of working in the real estate association industry. And perhaps from at least a writ large standpoint, that might be interesting not only for the commission with regard to budgeting, but also for the industry to determine in so far as a licensed population where things are trending. Simple request for your consideration.

Sandra Barr (00:51:24):

Thank you so much. We'll make notes of that. Thank you very much. Thank you. Next up we have Jason Gould. Did I pronounce that correctly?

Jason Gould (00:51:37):

Yes.

Sandra Barr (00:51:39):

Thank you. Go ahead and come off mute and let us know what you're thinking.

Jason Gould (00:51:43):

Hello, my name's Jason Gould. I'm a designated broker, and I was asked to bring up an issue that the DOL is having an issue with the oversight. There seems to be a loophole in the enforcement of property management regulations that has a serious risk to consumers and creates unfair advantages to the licensed property managers.

(00:52:06):

RCW 1885, property managers who collect third party funds for transactions involving real property are required to be licensed regardless of the lease duration. This position has been confirmed with over seven long-standing real estate attorneys and even the attorney general. However, there is an enforcement gap within the DOL allowing over 3000 plus unlicensed property managers to operate collecting over 500 million plus dollars of revenue without any oversight. This exposes the consumers to risk and fraud in property or accounting violations of the Consumer Protection Act while licensed professionals face unfair competition.

(00:52:50):

An unlicensed property manager was reported to the DOL with clear evidence of long-term property management advertising and long-term compensation rates over email solicitations to owners. They have shell fake names to hide complaints from the consumers and prevent them from being seen from the DOL. The DOL said it lacks enforcement authority of the manager claim to handle these leases since he was saying that they're under 30 days, and no license is needed. This interpretation is not supported by RCW 1885, which does not provide an exception for short-term property managers. Leases collecting third party funds before paying the owner of real property.

(00:53:33):

The DOL suggested that hotels and motels, the Department of Health should oversee. When I contacted them, they said that it's out of their scope. Property managers are not in their scope. And the Attorney General also said that the DOL is to oversee this. The regulatory disconnect leaves consumers unprotected. The main thing is it's an unfair playing field to the licensed property managers that are regulated no matter the length of the lease, if it's one night or if it's 365 days. And these unlicensed property managers have an unfair advantage. And they can false advertise, there's no way to get complaints back to the Attorney General or DOL because they can use fake names. And this loophole needs to be tightened up.

(00:54:30):

And I'm happy to share additional information. Yes, tried to stay under the three minutes.

Sandra Barr (00:54:43):

Thank you. Thank you very much for bringing that up. Next we have Kathy Bailey, please come off mute and let us know what your comment is.

Kathy Bailey (00:54:54):

Good morning. Yes, Kathy Bailey. I am a transaction coordinator. And I do understand that this topic is going to be coming up after the first of the year, but I just wanted to throw out a request for there to be more information being provided to real estate brokerages about the duties of a transaction coordinator, primarily if they are a private transaction coordinator. Licensed, unlicensed, what our duties are, what our role is, there are offices that are requiring transaction coordinators to draw up a 42-A, which is adding a transaction coordinator as an additional broker. But we as transaction coordinators are not supposed to be providing brokerage services. So it's kind of a contradiction.

(00:55:50):

And I feel that there's also a lack of understanding when it comes to the attorneys that are working with the various brokerages, because their interpretation is basically telling these brokerages: do not work with these outside transaction coordinators, because you can get in a lot of trouble. And the way that the core curriculum states, we're not looking at it actually being a problem at all.

(00:56:22):

But I think if there's more information provided to offices about what a transaction coordinator can do, how they can communicate, what duties they can have, maybe a clear definition of what real estate brokerage services are so that a transaction coordinator can see, I'm not doing that, I'm not doing that, not doing that, and make sure that we're not doing any of those things. That would be great.

(00:56:47):

And the other idea is: can we have a third party vendor type disclosure that a buyer or seller signs at the time of a buyer brokerage service agreement is being signed? Or a listing agreement is being signed, so it is understood what our duties and our duties are not and who we are and who's paying us. And it's not a commission, we are not acting as brokers. We are just relaying a message from the agent that we are working with.

(00:57:19):

So that's basically what I was hoping that could be addressed after the first of the year, because there seems to be so much confusion, and it's making things a little sloppy out there. So that's all I got.

Sandra Barr (00:57:33):

That's great. Thank you so much. And that's a great information for that subcommittee to address. Thank you.

(00:57:42):

Are there any other public comments? If you phoned in and aren't able to raise your hand, I would like to invite you to come off mute at this time and go ahead and let us know what your comments are.

(00:58:13):

Okay, Chair Clawson, I don't see any more hands raised and I don't see anyone coming off mute. So I think that concludes our public comments.

Jennifer Clawson (00:58:23):

Okay, great. Thank you all for sharing. The floor is now closed, and we'll move on to agenda 10.1 with announcements. Are there any announcements to share?

Sandra Barr (00:58:39):

The staff does not have any announcements to share at this time.

Jennifer Clawson (00:58:43):

Do any of the commissioners have any announcements?

(00:58:45):

Okay, 10.2, request for future agenda items.

Eddie Chang (00:58:59):

Thank you. That was a very educational public comment period. The third one is definitely being heard by our subcommittee on that. For the first two, can we have staff take a look at those? Especially concerning is the consumer protections in the second testimony.

Jennifer Clawson (00:59:23):

Yes. So Eddie, I've already started that with my team asking us some additional questions about the property management comment that came up. So I think we can definitely share more at the next commission meeting, as well as Mary's comment about the additional licensing information in the data that's being prepared. I am interested. Are the commissioners interested in adding that data to the report? Any additional data that would like to be added to the report?

Eddie Chang (01:00:03):

I think it's useful to add.

Shelly Schmitz (01:00:06):

Yes. Yes, I agree.

Jennifer Clawson (01:00:10):

Okay, great. Sandy, can you help coordinate that?

Sandra Barr (01:00:15):

Yes, I can.



Jennifer Clawson (01:00:20):

Great.

(01:00:20):

Anything else from the commissioners?

(01:00:25):

Okay, then we'll move on to 10.3, the review of action items and items for our next meeting.

Sandra Schaefer (01:00:36):

Excuse me. So the action items I have from this meeting are... I don't know if it's already been worked on, or being worked on, excuse me. An assistant attorney general determination regarding whether completed case files can be published publicly. The Washington State Center for Real Estate Research Report staff looking into including licensing data and trends in the report.

(01:01:03):

For future agenda items, I have addressing the attendance at the April ARELLO conference, who will attend and coordination on that. Commission staff to ensure that Bill Dutra is able to attend the next team names subcommittee meeting. I should move that over to the action items.

(01:01:25):

And then the other agenda item is a discussion on the property management system loophole that was discussed during public meeting. Or excuse me, public comments. Do I have any other items that I missed?

Sandra Barr (01:01:38):

There was one other item in that was the in-person meeting for 2025.

Sandra Schaefer (01:01:43):

Perfect, thank you.

Jennifer Clawson (01:01:50):

Okay, I think you got it all. I didn't have any additional items to contribute.

(01:01:58):

And on that, we head into our agenda item number 11, which is our adjournment. So it is now 11:02 A.M. on November 14th, 2024, and this meeting is now adjourned. Our next meeting will be via Teams on February 13th, 2024 at 10 A.M. Thank you all. Appreciate your time today.

Eddie Chang (01:02:23):

Thank you.

Sandra Barr (01:02:23):

Thank you so much everyone. And we can stop recording.