

# Washington State Real Estate Commission meeting transcript

May 16, 2024

Sandy Bauer (00:00:12):

Okay, everyone from the lobby has been admitted.

Eddie Chang (00:00:15):

Okay. Must find out what's going on at the State.

Jen Clawson (00:00:20):

Good morning.

Sandy Bauer (00:00:20):

As-

Jen Clawson (00:00:22):

Go ahead, Sandy.

Sandy Bauer (00:00:24):

Good morning, everyone. As a reminder, please mute yourself if you are not speaking, especially members of the public, to reduce background noise.

Jen Clawson (00:00:42):

Okay. So, good morning. I'm Jen Clawson, the Chair of the Real Estate Commission. It's now 10:01 AM on Thursday, May 16th 2024, and I'm calling this meeting to order. This meeting is open to the public. We will take time at the end of the meeting for a brief public comment period.

(00:01:01):

Participants will have no more than three minutes to address the Commission. As a reminder, commissioners are not to engage in conversations during the public comments. As a courtesy, I ask that all participants keep themselves on mute to reduce some background noise.

(00:01:15):

When a commissioner would like to comment on a topic, please use the raise-hand feature in Teams. Once I've called on you, unmute yourself and state your name before sharing your comments. Please remember to mute yourself again when you finish speaking. Thank you so much. And we'll head into our roll call portion.

Sandy Bauer (00:01:38):

Thank you, Chair Clawson. I will start with you, Chair Clawson?

Jen Clawson (00:01:44):

Here.

Sandy Bauer (00:01:45):

Thank you. Vice Chair Chang?

Eddie Chang (00:01:49):

Here.

Sandy Bauer (00:01:50):

Thank you. Commissioner Schmitz?

Shelley Schmitz (00:01:52):

Here.

Sandy Bauer (00:01:53):

Thank you. Commissioner Bruce-Jones?

Keith Bruce-Jones (00:01:56):

Here.

Sandy Bauer (00:01:57):

Thank you. Commissioner Joan-Schroeder?

Sabrina Jones-Schroeder (00:02:00):

Here.

Sandy Bauer (00:02:02):

Thank you. Commissioner Brazil?

Casey Brazil (00:02:04):

Here.

Sandy Bauer (00:02:05):

Thank you. And Commissioner Fabiola Macias is an excused absence today. Back to you, Chair Clawson.

Jen Clawson (00:02:13):

Great, thank you. So we'll move on to our agenda number three, approval of the agenda. I'm here to request a motion to approve the agenda.

Keith Bruce-Jones (00:02:25):

So moved.

Shelley Schmitz (00:02:26):

Second.

Jen Clawson (00:02:29):

Is there any discussion about the agenda? All in favor of the agenda?

Members (00:02:37):

Aye.

Jen Clawson (00:02:41):

All those opposed? Are there any abstentions? Okay, the agenda has been approved. We'll head into agenda item number four, approval of the minutes. So I'm looking for approval of the February 15th 2024 minutes.

Casey Brazil (00:03:02):

So moved.

Sabrina Jones-Schroeder (00:03:03):

Second.

Jen Clawson (00:03:06):

Any discussion about the minutes? All those in favor?

Members (00:03:12):

Aye.

Jen Clawson (00:03:16):

Any opposed? And are there any abstentions? Okay, all are in favor of passing the approval of the minutes for February 15th 2024. And we'll move into item number five. Sandy, I believe you're helping me with this portion of recognition for our Commissioner, but Ruth isn't here today.

Sandy Bauer (00:03:44):

Yes, unfortunately Commissioner Fabiola Macias was not able to attend the meeting today, but she did want the staff to relay her appreciation for the opportunity to serve on the Commission. She also wanted to express her gratitude for her fellow-commissioners, especially the ones that served on the subcommittees with her and mentored her.

(00:04:07):

On behalf of the staff, I would like to thank Commissioner Fabiola Macias for her willingness to serve and to participate in the important work that this commission does. It was a pleasure to work with her, and she will be missed.

(00:04:23):

At this time I would like to open it up for the rest of the commissioners, if there's anything you would like to say to Commissioner Fabiola-Macias, we will be sending her a recording of this meeting.

Sabrina Jones-Schroeder (00:04:41):

I would just echo your sentiments, that I really enjoyed getting to know her a little bit and work with her, and wish her all the best.

Sandy Bauer (00:04:57):

Thank you.

Shelley Schmitz (00:04:59):

This is Commissioner Schmitz, and I wish Ruth all the best. And it was a pleasure, even though it was a short time that I got to work with her.

Jen Clawson (00:05:14):

I agree. I enjoyed my conversations with Ruth. She gave me some great insight on some different things that were going on across the state, and I enjoyed my time with her as well.

Linda Gallivan (00:05:29):

I also thoroughly enjoyed working with Ruth. She has some fantastic ideas for ways we can improve, for internally to support the board, and then also just very passionate about the subcommittee work that she did. She was a joy to work with.

Sandy Bauer (00:05:54):

Thank you, everyone, for the kind words. I'm sure she will really appreciate that. Back to you, Chair Clawson.

Jen Clawson (00:06:04):

Thank you. So we will move on to item number six on our agenda, old business, 6.1. It starts with our professional services industry, which is PSI, and I believe I am providing the update here.

(00:06:22):

I don't have a big update other than we continue to work with PSI on customer service issues, trying to resolve those issues, as well as some scheduling issues that folks have been having, and to continue to improve the work that we are doing with them.

(00:06:44):

We spend a couple of meetings a week providing information back and forth to each other. So, I am hopeful that we are going to continue to improve the service that you all are seeing and feeling. Again, I would just say that, if we're still struggling, to make sure we let our teams know so that we can help our customers through any of those processes.

(00:07:11):

And I don't know if I have anybody else from our team that had anything to add to that. Okay, well, I'll move on to 6.2, Senate Bill 5191, and this update, we had started the rulemaking process. We had a subcommittee working on this, and we then went through the rulemaking process.

(00:07:38):

The subcommittee had brought up some concerns about us moving forward with rulemaking. Part of the rulemaking process is to have the opportunity for us to hear from licensees and the public about the impacts to potentially changing a rule or adding different language.

(00:07:58):

We heard loud and clear the impacts that it would cause and that it might not be resolving the issue that we were trying to resolve, and so we have reduced what that rulemaking will look like. We've taken out the definition around "as soon as reasonably possible", and are just leaving that language stand, and we've come up with some ways that we think that we can audit and investigate around that language.

(00:08:27):

And our thoughts are that, in the next six months, a year, if we start to have any struggles in that area, we'll bring it back to the Commission, talk to the subcommittee or bring the subcommittee back into a conversation and look at it from that standpoint.

(00:08:43):

But right now, that language is not moving forward into some rulemaking. I don't know if there's any questions from the commissioners on that.

Sandy Bauer (00:08:53):

Thank you. I believe Administrator Kathy Nagley also had a couple of updates that she wanted to talk about, especially as it relates to the public hearing. Administrator Nagley?

Cathy Naegeli (00:09:06):

Thank you Sandy. My name is Kathy Nagley, I'm the Administrator, and working on this bill. Like Commissioner Clawson said, we are not moving forward with the defining "as soon as practical" at this time.

(00:09:28):

However, we are moving forward with other records, which is the 2C on the transactions folder containing all agreements, receipts, contracts, documents, leasing, closing statements, and material correspondence for each real estate or business opportunity transaction, and moving forward that on broker price opinions and referral agreements.

(00:09:55):

We are having a rule hearing. It's scheduled on May 23rd. We did send a notification out, through our list server, to everyone on May 6th, and encourage you to attend and listen to that as well. So, those are our updates for right now.

Jen Clawson (00:10:19):

Thank you, Kathy. Are there any questions? We'll head on to number seven on the agenda, new business. And it looks like Linda from our staff is going to give us an update on our in-person meeting.

Linda Gallivan (00:10:43):

Yes, good morning. Good morning, Commission members. For the August 15th meeting you will have an in-person option. We will be holding that at the Lacey South Puget Sound Community College Campus, that's in Lacey. Hotel accommodations are available for those who are eligible. If you have questions about your eligibility, please feel free to contact me.

(00:11:08):

For those that qualify and request overnight lodging, I will arrange the hotel reservations and payment. I'm currently working with two hotels that are about a mile away from the campus. I will also arrange and pay for flights for anybody who is in need of one. And for those of you that will be traveling by car down just for the day, you will be eligible for mileage reimbursement.

(00:11:32):

Once all reservations are made, I'll be sending you a travel itinerary that will include all of the reservation numbers, and addresses of the hotel, and also of the campus where the meeting will be held at. For those of you that are driving down just for the day, I will send you a mini travel itinerary that will include a map, addresses, and some local eateries for you.

(00:11:56):

I just want to take a moment to say thank you to those of you who have completed the Traveler Profile Survey. I appreciate it very much. It makes my job super easy. If any of you are needing the link re-sent to you, please reach out to Sandra or myself, and we'd be happy to forward it to you. Thanks.

Jen Clawson (00:12:19):

Thanks, Linda. Okay, so now we'll move on to item number eight, reports. We have some subcommittee reports, so we'll start with 8.1.1, the Education Subcommittee.

Shelley Schmitz (00:12:41):

Good morning, this is Commissioner Schmitz. So the subcommittee was... Can you hear me okay? Oh, okay, sorry. The subcommittee was searching for options for instructors to receive continuing education credits for classes they teach rather than the current process of needing to also take a separate course on the same topic.

(00:13:07):

So basically, we were looking to see, the course that you taught for hours, could you also get credit versus having to then take that same course from somebody else to get credit? And at this time we are not able to do this for two reasons.

(00:13:24):

One, due to the DOL process on the education side, it is not set up to handle this, and we also would have to make a legislature change in order to do this. So, at this time we're not able to make the change, but we are keeping it on our radar.

(00:13:43):

Then there's a curriculum review. The subcommittee members agreed on adding the below, or excuse me, the highlighted language specific to Agency Law. The subcommittee will work on ways to ensure any updated information is provided to students in a timely and effective way.

(00:14:01):

So with that, the Washington Real Estate Law Curriculum, to demonstrate a familiarity with the various real estate agency situations described under RCW 18.86, and with the disclosures necessary to avoid any potential conflicts of interest.

(00:14:19):

Ensure information is given concerning Agency Law Amendments effective January 1st 2024. And then, under the Advanced Washington Real Estate Law Curriculum, to demonstrate an understanding of the provisions of RCW 18.86, the Real Estate Brokerage Relationship Act, and describe how agency relationships may be created or terminated.

(00:14:43):

Identify when disclosure of potential agency conflicts is required. Ensure information is given concerning Agency Law Amendments effective January 1st 2024. And then, under the core curriculum, the Agency Law Pamphlet, also now known as the Real Estate Brokerage in Washington Pamphlet, instructors will discuss the revised Agency Law pamphlet, which is due to be distributed January 2024, and that is under RCW 18.861120. And that's Staff Committee's update.

Jen Clawson (00:15:24):

Great. Thank you so much. We'll move into 8.1.2, License Transaction Coordinator Subcommittee.

Sabrina Jones-Schroeder (00:15:37):

So this is Commissioner Joan-Schroeder, and I'll do the report out on this subcommittee. So we've had a couple of meetings, and we're really just in the initial research of this. Of course, as we know, there is no such thing as a licensed transaction coordinator. There are licensed real estate brokers providing transaction coordinating services.

(00:15:59):

And especially with the changes to the Agency Law, this is raising some concerns. So, the subcommittee, in our last meeting, reviewed and discussed some sample documents.

(00:16:09):

So we've been in sort of a collection mode of collecting contracts from a menu of services, et cetera, various transaction coordinators around the state, including lists of tasks performed, disclosure of language that some transaction coordinators are providing to their clients.

(00:16:31):

Again, we're looking at a couple of sample transaction coordinator contracts and other information and data related to the work being done by transaction coordinators in the state. Our next steps are to continue to perform additional research on typical transaction coordinator duties.

(00:16:50):

And then we also spent a bit of time discussing that the Commission and staff should review the revised code of Washington RCWs and the Washington Administrative Code, the WACs, associated with brokerage services, and translate them into plain talk for the DOL to publish.

(00:17:09):

At one point there was a list of things licensed assistants can do and not do, and I think, in my experience, it gets a bit burdensome and confusing for even designated brokers to cobble together the RCW with the WACs and say this is what brokerage services are, this is what you have to have a license to do, et cetera.

(00:17:32):

And so I think we could serve not only our stakeholders, not only the brokers, managing brokers and designated brokers, but also the consuming public in putting together something that's just a little bit more plain-speak, taking into account RCW 18.85.1013, 18.85.2752, 18.85.01117, and Washington Administrative Code 308-124C-125, all four of those dictating broker services. So, I think that's a project that we'll be tackling in our coming meetings. And that's about it.

Jen Clawson (00:18:16):

Thank you. Next we have up 8.1.3, the Record-keeping Definition Subcommittee update.

Sandy Bauer (00:18:26):

Good morning. This is Program Specialist, Sandy Bauer. This subcommittee is still working to review the statutes, which is WAC 308-124C-105, especially the subsections under Sections 2, A through D. They're trying to analyze the current language and determine if definitions should be updated.

(00:18:50):

They've opted to meet less frequently than the other subcommittees. Several of the subcommittee members are on other subcommittees, so they wanted to prioritize the work. And once the other subcommittees work are finished, we will meet more frequently, but until then they're continuing to review the WAC. Thank you.

Jen Clawson (00:19:18):

Thank you. Next up we'll have 8.1.4, Team Name Subcommittee update.

Eddie Chang (00:19:27):



Hi, this is Vice Chair Chang. We have had three great listening sessions so far. First one was March 22nd, the second was March 29th, and the third was on April 19th. We've listened to all the concerns that people have had.

(00:19:45):

We had a meeting two days ago, and we are going to put together... We're basically going to be reviewing everything that was submitted, and we will come up with a series of recommendations that we'll vet through industry partners and see what we can do without a legislative change. That's the quick update.

Jen Clawson (00:20:13):

Great, thank you. And our last subcommittee update is 8.1.5, Senate Bill 5399.

Casey Brazil (00:20:23):

Thank you. This is Commissioner Brazil. Over the last couple of months DOL and our subcommittee have been researching, gathering data, and analyzing information on the substitute Senate Bill 5399, which is concerning future listing right purchase contracts, formerly known as the 40-year Contract.

(00:20:47):

There's been a lot of research related to this, and in fact, looking at 23 different states that have already enacted or proposed legislation, also to include different license regulations in contracts. They've also looked at attorney general lawsuits in 10 different states.

(00:21:04):

There was a survey last month that we had about 632 respond, basically asking the question, how many people are providing future listing right purchase contracts? Most of those respondents stated they do not use those contracts. We have two separate surveys coming out.

(00:21:24):

There was one that was just sent on Monday of this week, May 13th, and you can get on Listserv or go to any other real estate stakeholder group in different organizations, but contact us if you need to get that survey. We also have two listening sessions coming up.

(00:21:45):

The first one is June 21st, and the second session is Friday, June 28th, and DOL will send out that information about two weeks before they occur. So, in general, we're still doing a lot of research to figure out what we can do here. So, thank you.

Eddie Chang (00:22:00):

Can I jump in real quick?

Casey Brazil (00:22:05):

Sure.

Eddie Chang (00:22:06):

I just want to take a moment and recognize all the hard work that Taylor has done on the research on this. She has provided amazing reports to the subcommittee, and I just want to show my appreciation for that.

Jen Clawson (00:22:22):

Thank you so much. We always appreciate hearing stuff like that. Great. So now we'll move on to our 8.2, Central Investigations and Audit Units, our report outs, and it looks like Evelyn, I'll be turning it over to you for the complaint case count reports?

Sandy Bauer (00:22:44):

I'll go ahead and interject here-

Jen Clawson (00:22:47):

Oh, you're doing it? Okay, Sandy, thanks.

Sandy Bauer (00:22:48):

... quickly, Chair Clawson. So, it has been asked that we provide better and more meaningful complaint data. And we've been working with our partners at the Central Investigations and Audit Unit to provide more meaningful data around this. Evelyn isn't able to attend today's meeting, so I would like to introduce Mr. Nathan Buck.

(00:23:12):

He is an investigator with that unit, and he's going to be presenting the complaint case counts, and then giving some of the most common complaints, and what that investigation process looks like. So I'd like to turn it over to Mr. Nathan Buck. Thank you.

Nathan Buck (00:23:29):

Thank you, Sandy. And good morning. My name is Nathan Buck, I'm the Investigation Supervisor for real estate programs. So, to go over the data that we collected, the data that we are showing is for quarter one, so January to March... excuse me... January to March of 2024.

(00:23:50):

So, the total complaints we received were 141. The total cases sent for investigation were 81. Total investigations we completed in the investigation section was 60. The total cases that were closed were 115. That was throughout our intake or investigations or in our partners in our legal section.

(00:24:15):

In open-and-complaint intake we had zero at the time of this data. What's currently open in the Investigations Unit from this timeframe was 255. This includes cases that were assigned to investigators or pending assignment to investigators.

(00:24:34):

And then the numbers of cases that are in legal compliance were 42. As far as our common complaints that we are seeing in our intake would be advertising, misrepresentation, such as

failure to disclose material fact, failure to properly account for trust funds in mostly our property management cases.

(00:24:59):

For the violations that we've identified for post-investigation that are common would be failure to exercise reasonable skill and care, and that would be pertaining to a multitude of different types of complaints. So, in order to specify what exactly, it would be complaint by complaint basis, yes.

(00:25:23):

Record-keeping and failure to cooperate with the agency when it comes to completing an investigation. For the next part of that, for the common actions taken, I will go ahead and switch that over to our Legal Services manager, Jessica Koenig.

Jessica Koenig (00:25:42):

Good morning everybody. My name is Jessica Koenig, I'm the Legal Services Manager for Regulatory Compliance, and today I'll be talking about the most common sanctions that we impose for confirmed violations.

(00:25:59):

We did limit it to just our three top things that we turn to, and hope to turn things around for licensees. And that would be license revocation, or suspensions, continued education, which is something that we always look at first and foremost, and then of course a fine as another option, as a sanction for violations.

Sandy Bauer (00:26:28):

Thank you so much, Nathan and Jessica, I really appreciate your input on this complaint data. With that, we're happy to answer any questions.

Sabrina Jones-Schroeder (00:26:39):

This is Commissioner Joan-Schroeder. I'm curious, and I don't need you to break it down or feel like you need to bring this information to future meetings, but I am just curious if you have a sense if most complaints received are filed by the consuming public or by other real estate professionals. Is there a sense of that? Do you have an idea on that?

Nathan Buck (00:27:03):

So this is Nathan Buck. As far as the answer to that question, it would be a mix. We don't necessarily track all that information, however, I would say that it would be a mix from licensees as well as from the public.

Sandy Bauer (00:27:23):

Thank you. Are there any other questions?

Eddie Chang (00:27:27):

This is Vice Chair Chang. When I requested this, mostly it was so that we understand what we need to do as a Commission to help the industry and help the public. So when you're saying most common complaints are advertising, what's going on there, and are there any steps that the Commission can do to help reduce the amount of advertising complaints?

(00:27:53):

What's going on? What do we need to do or what do we need to figure out in order for brokers as well as the public to understand what's going on?

Nathan Buck (00:28:06):

Thank you for your question. So when it comes to the advertising aspect, there are, I would say, a lot of different variations of that. One of the most common is something simple as an individual not advertising with the firm's name or the DBA in any of their advertising. That would probably be the most common when it comes to that.

(00:28:32):

There would be a lot of other different aspects of other advertising, but those would be a little bit more of the minor complaints that we see. And again, it really comes down to advertising that firm name and or the DBA.

Eddie Chang (00:28:54):

So, just to clarify on that, is that primarily with, because this dovetails into the team's names thing, does that primarily happen with teams or is it just all across the board?

Nathan Buck (00:29:11):

That would be a mixture. It would be both. It would be across the board, but it would also be partially with the teams.

Eddie Chang (00:29:21):

Thank you.

Sandy Bauer (00:29:21):

All right, thank you. Are there any more questions? All right, thank you very... Oh, Commissioner Joe-Schroeder.

Sabrina Jones-Schroeder (00:29:34):

Yeah, sorry, I forgot I was supposed to raise my hand earlier. So, I am curious, other states do report out, to the stakeholders, complaints. Is that something our department has ever considered? I know I'm also licensed in Idaho, and the Idaho Real Estate Commission literally reports names, violations, and sanctions.

(00:30:06):

I don't know that I'm necessarily in favor of that, although the first time I saw that as a newly licensed Idaho practitioner, I thought, "Oh, dear God, I don't ever want to see my name on that

list." It's a bit of a deterrent. But have we ever considered publishing this information in a meaningful fashion to the stakeholders?

(00:30:27):

I'm just sitting here thinking how many people are not listening to this, that if we were to publish there were 141 complaints, and of those 80, or whatever the number was, were related to advertising, and the majority of those were because the licensee failed to identify their designated broker, or sorry, their firm or their DBA.

(00:30:50):

It just seems like maybe we could help the industry as a whole if we would publish some of this information, even just generic terms, have we ever considered that?

Sandy Bauer (00:31:00):

That's a great question, Commissioner John-Schroeder. We have not, and that's definitely something we can think about. As of right now, this is the data that we're just now starting to collect and present. We're still in the very beginning stages of this. So I'm just really excited we're able to present these wave-top data points, and then we'll see what we can do in the future. Thank you.

Eddie Chang (00:31:27):

So this is Vice Chair Chang. I have seen these complaints and other results published on the ELWA's website previously. I couldn't find it on the current site, but I know in the past they have done it, because there were a couple of things that I used to look at it because I was curious to see what was going on, and there were a couple of times I'm like, "I never even..."

(00:31:54):

I remember seeing ones that were really atrocious to me, which was people submitting false competing offers in the multiple-offer situations, and so...

Jen Clawson (00:32:06):

Yeah-

Sandy Bauer (00:32:06):

Excellent point.

Jen Clawson (00:32:08):

... you are right, we did use to, way back, many years ago, we did publish some of the different findings against folks. We did take it down because we were having a hard time staying consistent with being able to report it for all professions, and then, just how long does it stay up there?

(00:32:28):

There was a whole bunch of conversations we were having around some equity side of things and how we would manage that. We have talked about it off and on again as division leaders as, what's the best way to be able to inform the public?

(00:32:46):

So it is still a topic of conversation, and it's been a pretty sensitive one of what the right thing to do is, and so we are still kind working through that. I think, generally talking, could we break out by, this is how many complaints we received and these are the types of complaints, and start with some numbers?

(00:33:07):

We might be able to start there, putting some of that stuff out on our website, and then figuring out how we move forward. But it has been a struggle in the past with how we share information about things that are taking place with the licensees.

(00:33:21):

And really, for us, it's about being able to stay consistent, having the manpower to be able to really stay consistent with how long is it up for, when does it come down, what information goes up there, and stuff like that.

Eddie Chang (00:33:37):

Thank you.

Jen Clawson (00:33:39):

Yeah, absolutely. But I-

Sandy Bauer (00:33:41):

Any other questions?

Jen Clawson (00:33:44):

Sorry, Sandy, didn't mean to step on you there. Okay. Well, we'll head into our 8.3, our Licensee and Customer Support Services. And Sandy, I'll it turn over to you so I make sure that we call on the right person.

Sandy Bauer (00:33:59):

Thank you. I'd like to introduce Tanya Hessler from our Licensee and Customer Support Services Unit to present the licensee counts.

Tanya Hessler (00:34:13):

Good morning. So, the licensee new issue versus renewals, we have issued 24,895 from 2019 to 2023, and process 4,979 renewals. For the licensee count as of April 15th 2024, for real estate brokers from under the age of 25 to 65 and above, we have a grand total of 34,609. For real estate managing brokers we have a grand total of 8,089.

(00:35:09):

For real estate firm licenses we have a grand total of 4,220 active firms, and that includes the real estate branches. And then, the real estate firm names, we currently have 11,228 active firm names for branches and firms.

(00:35:30):

And here's the active licensee count by year. You see in 2020, and then the increase into 2022, and then it starts to taper off into 2024 to date. So right now, our average time to answer is around seven minutes. We received 1,732 calls in February, 1,610 in March, and 1,818 in April.

(00:36:07):

The increase is due to, PSI did do a migration from an old system to a new system, so there was about a week where they were offline where candidates were not able to get through or they couldn't schedule tests, and so they called the licensing unit to just verify what was going on.

(00:36:28):

They had put a lot of information out there, but we still received quite a few calls and quite a few emails, as you see in the next slot of information. In March we received, or, excuse me, February, 341, in March, 198, and then in April it was 1,068.

(00:36:47):

And the bulk of the increase of that was due to PSI migrating and people not being able to schedule and get their questions answered. The average time to respond is around 15 days. We do have that down a little bit now since the emails regarding scheduling have really slowed down.

Sandy Bauer (00:37:15):

Thank you so much for that report out. That's very interesting data. Are there any questions about the licensee counts? Yes, Commissioner Joan-Schroeder.

Jen Clawson (00:37:35):

You're muted.

Sabrina Jones-Schroeder (00:37:39):

I always hate it when I'm the person doing that. Commissioner Joan-Schroeder. No questions per se, though interesting to see the downward trend in licensees. I think we'll continue to see that.

(00:37:50):

With regard to the customer call and email data, I want to give a shout-out to staff because I know that you guys are working so hard to be responsive to the stakeholders and answer the phone and respond to emails.

(00:38:07):

I will just say, I feel a 7-minute hold time and a 15-day response time on email is way too long. And I know you're continuing to work on it, and I know from the notes here that you're a staff person down.

(00:38:22):

But if you're someone who's trying to activate a license and it's not happening because fingerprints haven't been received or PSI test scores haven't been received, being on hold or waiting two weeks, in essence two weeks to have a response to an email to be able to activate your license and get to work, it's still too long.

(00:38:46):

So, again, thank you, thank you. I know you're working really, really hard, but I think the goal, and I'm sure it is, has to be that those numbers have got to continue to go down.

Sandy Bauer (00:38:58):

Yes, thank you very much for that.

Tanya Hessler (00:39:01):

I agree with you, Sabrina. We are working on it. So, yeah, we're looking at some additional staffing in some of these areas, because I would also state that, on the investigation side, I think we need to get through more of those cases a little bit quicker too. So we are looking at upping our resources on both of those sites, in addition to what we already have.

(00:39:26):

Finally being able to get to some of this data with the system that we had rolled out four years ago during the pandemic has been really helpful. With the leaders really refining what the workload looks like, it's easier to justify additional team members.

Sandy Bauer (00:39:44):

All right, any other questions? Okay, thank you so much.

Jen Clawson (00:39:50):

Okay, onto agenda item 8.4, Boards and Commissions and Outreach Units.

Sandy Bauer (00:40:02):

All right, first off... Oh.

Jen Clawson (00:40:04):

Go ahead, Sandy, sorry.

Sandy Bauer (00:40:06):

All right, first off, we have our pass/fail rate report. Commissioners were provided a copy of the Q1 pass/fail rate report in their packet, but in particular, and we added this as a convenience, but I did want to let you know that we have one year of these reports posted on our DOL website.



(00:40:30):

So at any time you can log on to the DOL website and you can find a year's worth of this data. If you go to our website under Real Estate Brokers, Resources and Publications, you can click on whichever quarter you would like for the prior year.

(00:40:49):

If you would like a direct link to view these reports, please email us at DOL boards at [dol.wa.gov](mailto:dol.wa.gov). Are there any questions? All right, let's go ahead and move on. I also have the next agenda item, which is the Housing Market Report.

(00:41:15):

Commissioners were provided a copy of the Washington State University Washington Center for Real Estate Research Report Q4 of 2023. Q1 for 2024 should be out soon. We have added this to the packet for your convenience. I would also like to point out that the Washington... Please hold questions from the public until we have public comments, thank you.

(00:41:46):

The Washington Center for Real Estate Research collects and analyzes data around the housing market. They have several years' worth of reports published on their website, including a housing report, a market analysis report for apartments, annual median price reports, as well as census data profiles.

(00:42:10):

If you would like a link to their website, please email [dolboards@dol.wa.gov](mailto:dolboards@dol.wa.gov) and we'll be happy to get you a link to that. Are there any questions? All right, thank you so much. And now I'll hand it... Oh. Now I hand it over to Program Specialist, Sandra Schaeffer, to review the Master Action Item List.

Sandra Schaeffer (00:42:44):

Thank you, Program Specialist Bauer. And so, we had... excuse me, working as teams listening session info out and host those listening sessions. As discussed earlier in this meeting, that has occurred. So this will be taken off of the action item list going forward, as well as providing comparison data for licensee new issues and renewals. That is going to be an ongoing thing.

(00:43:16):

So, it will be removed from the action item list going forward. It will be a standing agenda item. Same with the average length of customer calls, and just customer call and email data in general. We did look into whether or not it's possible to track emails and calls by subject type, and it is not.

(00:43:38):

At this time we do not have that capability in our system, and in order to do that would become a manual process. It would increase call and response time, and that is the opposite of what we want to do. So, that will be removed from the action item list, and at this point in time we just don't have that capability. All right, back to you, Chair Clawson.

Jen Clawson (00:44:05):

Great, thank you so much. Now we're going to move into our public comment portion of the agenda. I will now open the floor for the public to address the Commission and to share their thoughts, concerns, and requests. Written comments may also be submitted at least two days prior to the meeting by emailing our DOL boards at [dol.law.gov](mailto:dol.law.gov).

(00:44:29):

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 towards your three minutes.

(00:44:40):

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. So, Ms. Bauer, were any comments submitted in writing?

Sandy Bauer (00:44:59):

Yes, we have three comments to read. The first comment is from Lynn E. Larson. "Greetings. This bad idea and bill. It has the portent of people giving away future rights and control at the behest of an agent who very well may be new in the business and not know the full context of extracting the control for the future of a person's property.

(00:45:35):

What happens if the owners get divorced, one of the owners, a married couple, dies, one of the children in the house enters into the real estate business, et cetera. But it's law. So a solution is required. My suggestion is that a homeowner have the right to terminate the obligation at will.

(00:45:57):

It then becomes a gesture of good faith, an opportunity for continued relationship between client and agent, but does no harm if extenuating circumstances come to pass, including changing one's mind that require in the sole opinion of the homeowner, and a solution of termination is required.

(00:46:19):

The bill is clearly anti-competition, and that is not healthy economically or socially. It has the probability of an agent extracting a personal value at the joyous moment of satisfaction with service. May very well seem appropriate at the time, but have substantial adverse complications and implications. Thank you for the work you do. Best regards." There is a P.S. here.

(00:46:48):

"I have not read the bill in its entirety, i.e., these above stated aspects are covered within, then they probably have no basis." Our second written comment is from Leanne Findley, owner and designated broker of Piper Findley Real Estate.

(00:47:11):

"I likely cannot make the virtual meeting on May 16th, but I have strong concerns about real estate brokers who use team names. More and more I see team names being used, no mention of the firm legal name anywhere in either the advertising, business card, or for-sale signage.

(00:47:35):

In my area I keep seeing two individuals, first names being used but with [inaudible 00:47:43] last names and no firm names. Example, Bob and Betty Realtors. I find it frustrating that the team names issue hasn't become more closely supervised with financial penalties if they are abused.

(00:48:00):

These are quickly becoming too casual in many ways. Let's please create some better processes to ensure the licensees are using professional information at all times."

(00:48:12):

And our final written comment is from Michael Ballou, real estate broker, Echo Broker. "Good morning, Board members. I am appealing to this board today on behalf of the real estate licensees in Washington State who are struggling to earn a living under the impossible conditions that they are presented with.

(00:48:32):

The unregulated super abundance of licenses spoil the market for real estate brokers who deserve a more stable work environment than what the heartless competition currently provides.

(00:48:45):

Correspondingly, consumers deserve an opportunity to work with seasoned, dedicated brokers who are spending more time researching the real estate issues that come to us from the Northwest MLS and RCWs, the legal bulletins that come out of Washington Association of Realtors, and the issues that individual offices that we find ourselves in.

(00:49:08):

Certainly the bills that come out of the Governor's office last year that affect the real estate market at large that addresses some of our shortage issues is great concern to real estate practitioners. But here again, brokers find themselves spending 80% of their time advertising, competing, mailing, and promoting their business in order to compete with the throng of licenses.

(00:49:33):

I understand how the status quo works with industry heads, the real estate broker firms, and other service groups. What I am proposing is something novel that I have not seen in my 20 years of practice, and that is to take steps to support the current licenses in their businesses so that they can be successful.

(00:49:53):

The attrition rate of our field is somewhat in the area of 80% for the first two years. What about this statistic is not a red flag? We are trying to invite the courts back to visit the way we conduct ourselves. Are we trying to invite Fair Labor Standards Act into taking control of our practices?

(00:50:14):

I believe we have made ourselves attractive by not taking reasonable steps to regulate the number of licenses in the field. We can look to the great state of California and review the law that was passed by the upper and lower chambers and signed by the Governor about two years.

(00:50:31):

This would be Assembly Bill 2745, which provides that all licenses within the State of California will have proven previous experience in the field before they are licensed, or two years of accredited coursework through university or community college in real-estate-related field.

(00:50:50):

There are other things we can do. At least this is a good model to consider. I am not naive to recognize that the entrenched interest that are in place and are satisfied with the status quo who will not provide major resistance.

(00:51:05):

This is not about them. It is about the people who commit themselves, who dedicate themselves, and who have their mind and heart in the right place." And that is the 500-word count. That concludes the three written comments.

Jen Clawson (00:51:22):

Thank you so much. And it looks like we have a hand up with Christina?

Christina (00:51:31):

Thank you, Commissioners. I have a question getting back to some education questions, and it's been some time since I've sat in on the meeting, so forgive me if it's already been covered.

(00:51:44):

Our pass/fail rate has been very low for the pass rate, and as Commissioner Schroeder has mentioned before in the past, Washington is one of the states that does not have live instruction. So I'm wondering if our board has come any closer to bringing back some live instruction for potential licensees or designated brokers?

Sandy Bauer (00:52:11):

Thank you. That's a great question, and I'm sure that the Education Subcommittee can look into that. Thank you.

Christina (00:52:18):

Thank you. Now, it was also my impression that was going to get looked into several months ago. So, how do I find out if there's been any conclusion to that or any headway made?

Sandy Bauer (00:52:36):

Thank you for your comment. The subcommittee, as always, will look into it, and once they're done looking into things, they will report out during this meeting.

(00:52:45):

Okay, thank you for your comment. Are there any other comments today? Okay, I am not seeing any other hands. Chair Clawson, I'll turn it back over to you.

Jen Clawson (00:53:10):

Okay, not seeing any other hands, we will close the floor for... The floor is now closed for public comment, and we'll head into the conclusion portion of our agenda, 10.1, announcements. Are there any commissioners that have any announcements they would like to share, or staff members? Yeah, Commissioner Joan-Schroeder.

Sabrina Jones-Schroeder (00:53:44):

So I just wanted to say, I think this is officially my last official Commission meeting. I will be at the next meeting but not in an official capacity as a commissioner as my term is up the day before the next meeting. So I plan to Zoom in or Google Team in.

(00:54:04):

And I just wanted to say officially, it's been a pleasure to serve as a real estate commissioner for the last six years, and I wish all of the, I'll obviously still be doing my subcommittee work for the next couple of months, but wish all the commissioners and DOL staff, you guys are awesome, you work so hard, I appreciate all of your efforts, and just wish everyone the best moving forward.

Eddie Chang (00:54:28):

Nice.

Jen Clawson (00:54:32):

Thank you so much. Anybody other commissioners have anything they'd like to share? Okay, we'll move on to 10.2, request for future agenda items. Ms. Schaeffer, we'll turn it to you. Oh, sorry, Vice Chair Chang, did you have something?

Eddie Chang (00:54:59):

Yes, two things. Number one is, I would like to review our subcommittee members at the next Commission meeting. With Ruth and Sabrina no longer with us, we want to make sure that we have robust committees, and hopefully two new commissioners by then. So that's number one for the next Commission meeting.

(00:55:25):

And number two would be, Arello has a conference in September. I would like to see if we can look at maybe sending, at the very least, Jennifer, Jenny over there, as well as maybe some of the commissioners to go mingle and talk with other commissioners from across the country, to be able to have different ideas and support each other across states.

Jen Clawson (00:56:05):

Yeah, I think that's completely reasonable, we should. Do we need to, I guess, Sandy, I'm looking to you, if that conference is in October, we probably need to start figuring that out before-

Eddie Chang (00:56:18):

It's in September.

Jen Clawson (00:56:20):

Oh, September. Yeah, before our next Commission meeting.

Sandy Bauer (00:56:23):

Well, we will have plenty of time to arrange for travel, et cetera. If we add this to the agenda item for our meeting in August and identify who would like to attend, verify the dates for the conference, we'll have time to arrange for travel and get that all squared away.

Jen Clawson (00:56:45):

I think we need to do it before our next Commission meeting.

Sandy Bauer (00:56:47):

Okay.

Jen Clawson (00:56:48):

I'm going to say right now we need to do it before our next commission meeting because we won't be able to... With what the cost of travel and stuff-

Sandy Bauer (00:56:54):

That's true.

Jen Clawson (00:56:54):

... are going through, and people need to make plans. So, can we do that during this meeting or do we need to reach out individually?

Sandy Bauer (00:57:02):

We cannot do it during this meeting, it was not on the agenda. We can reach out individually to each commissioner just to gauge to see who would like to attend-

Jen Clawson (00:57:14):

Okay.

Sandy Bauer (00:57:16):

... and go that way. And then we can report out on that at our next meeting

Jen Clawson (00:57:22):

At our August meeting?

Sandy Bauer (00:57:23):

Yes.

Jen Clawson (00:57:24):

Okay, okay. So, I'd like our staff to do that, please.

Sandy Bauer (00:57:30):

Absolutely.

Jen Clawson (00:57:31):

Yeah.

Sandra Schaeffer (00:57:32):

Linda, Calvin and I will work on getting that taken care of.

Jen Clawson (00:57:36):

Thank you so much. Okay, it sounds like we're on future agenda items, is that right?

Sandra Schaeffer (00:57:47):

I believe so, yeah. And this is mine, if you don't mind me taking over.

Jen Clawson (00:57:53):

Yes, it's all yours.

Sandra Schaeffer (00:57:55):

So I didn't have any future agenda items that I captured in this meeting. I do have the action item. I actually think I have two. Nope, just the one. The action item of discussing whether Washington can report out de-identified information on common complaints, and providing that information online or published in some other way.

(00:58:21):

And it looks like [inaudible 00:58:23] extended leadership team is already in discussion on that, but we'll follow up with it in the next meeting. And then, I did have the two. The other action item is to follow up, between now and the next meeting, on the Arello Conference, and schedule any travel needed.

(00:58:47):

And then we had the education question regarding pass/fail rate. That looks like, if the Board wants us to move that over to the Education Subcommittee, then we will add that to the Education Subcommittee agenda for those meetings. Did I miss anything?

Sabrina Jones-Schroeder (00:59:12):

Oh, sorry. This is Commissioner Joan-Schroeder. Yes, could you add that to the Education, because we did discuss it, and I don't remember that we did report back on that. So, to address that public comment, let's make sure we report back out on that at the August meeting.

(00:59:29):

And I apologize that we did not get that done. And then just to reiterate Vice Chair Chang's request that filling out the subcommittees is a future agenda item for the next meeting.

Sandra Schaeffer (00:59:41):

Yes, I did capture that. I apologize I didn't read it off, but yeah, that is, the composition of the subcommittees will be on the next meeting agenda as well. And gosh, not Chair Schmitz, Commissioner Schmitz.

Shelley Schmitz (01:00:05):

Thank you. I just want to make a public thank you to Sabrina for all she has done, since she won't be in the capacity next meeting, but at least she'll still be there. But I just want to take a moment to say thank you, you've been incredible.

Sandra Schaeffer (01:00:29):

I would also second that as well. I know we probably will get that chance next meeting, but yeah, Sabrina, you're amazing at what you do, and very passionate about supporting or representing the public licensees. So, very much appreciate working with you. I've learned a whole lot from you, and definitely going to miss you. I'll keep trying to convince you to stay.

Sabrina Jones-Schroeder (01:00:58):

Thanks guys, appreciate it.

Jen Clawson (01:01:06):

Okay, are we down to 10.3, the review of action items?

Sandra Schaeffer (01:01:12):

Yeah, I'm sorry, I kind of combined that with the 10.2.

Jen Clawson (01:01:15):

Oh, so you-

Sandra Schaeffer (01:01:15):

That was my bad.

Jen Clawson (01:01:16):

It's all good.

Sandra Schaeffer (01:01:17):

I did them backwards.

Jen Clawson (01:01:19):



No problem. I just wanted to make sure that I wasn't forgetting something. Okay. Well, it looks like we're at number 11, the adjournment portion of our meeting. So, it is now 11:02 AM on May 16th 2024, and this meeting is adjourned.

(01:01:39):

Our next meeting will be held Thursday, August 15th 2024 at 10 AM in-person at South Puget Sound Community College, Lacey Campus, with a virtual attendance option via Teams. Thank you all so much. Have a great day.