

MARYLAND REAL ESTATE COMMISSION
500 North Calvert Street
Baltimore, MD 21202

Mission: Protecting the health, safety, and welfare of the public
through examination, licensing, and regulatory activities regarding real estate

BUSINESS MEETING MINUTES
August 21, 2019 10:30 a.m.

PRESENT:

Commissioner J. Nicholas D'Ambrosia, Chair (Industry)
Commissioner Marla Johnson (Industry)
Commissioner Demetria Scott (Industry)
Matthew Lawrence, AAG
Commissioner Karen Baker (Consumer)
Commissioner Jeff Wright (Industry)
Commissioner Anne Cooke (Industry)
Charlene Faison, Education Director, Session Recorder
Michael Kasnic, Executive Director
Jillian Lord, Asst. Executive Director

ABSENT:

Commissioner Kambon Williams (Consumer)

PUBLIC IN ATTENDANCE:

Kathie Connelly, Broker
Garth Williams, Salesperson, Execuhome Realty
Susan Mitchell, MR
Brenda Kasuva, Salesperson. CBRB
Jason Brand, AACAR

CALL TO ORDER:

J. Nicholas D'Ambrosia, Chair, called the meeting to order at 10:35 AM

REPORT OF COMPLAINTS/ADMINISTRATIVE DISMISSALS:

Motion (made by Marla Johnson, seconded by Jeff Wright) **To approve the Administrative Dismissals for the month of August 2019. Motion carried.**

APPROVAL OF MINUTES:

Motion (made by Jeff Wright, seconded by Marla Johnson) **To approve the minutes, of the July 17, 2019 business meeting.**

COMMITTEE REPORTS:

- Education – Demetria Scott, Chair
 - For the month of July 2019 PSI administered 1056 salesperson and 76 broker exams, compared to 1038 salesperson and 59 broker exams in July 2018.
 - Chair D'Ambrosia has comment regarding MREC advertising pass rates of schools on its website; advised MHEC has a new rule that schools must publish its pass rates in brochures given to students.

- Executive Director presents the format for how pass rate information will be displayed on the Commission's website.

Motion (made by Jeff Wright, seconded by Demetria Scott) **To proceed with publishing school pass rates on the MREC website. Motion carried.**

- Legislative – Marla Johnson, Legislative Chair
 - Commissioner Johnson has no comments.
 - Counsel has no comments.

COMMENTS FROM EXECUTIVE DIRECTOR: Michael Kasnic

- Introduced Kathleen Mbanefo, recently hired paralegal.
- Current license count totals 45,894, of which 4,342 are brokers, 3,091 are associate brokers and 38,019 are salespersons, 135 are reciprocal brokers, 54 are reciprocal associate brokers, and 399 are reciprocal salesperson. Inactive total was not reported. There are 697 branch offices.
- Guaranty fund balance as of July 1, 2019 is \$1,097,616.57.
- Train the Trainer timeline was shared with commissioners.
- Registration stats are as follows:
 - 50 providers have submitted names of persons to attend
 - GBBR location – both sessions are full at 50 attendees
 - National Harbor location currently has 71 registrants
 - MREC location currently has 34 registrants
 - There are 16 names on the waitlist
- Received anonymous complaint and wants Commission to open a complaint.

Motion (made by Anne Cooke, seconded by Marla Johnson) **To open complaint received concerning a brokerage refusing to present offers unless title company they are associated with is used. Motion carried.**

- Travel requests for ARELLO are complete.

COMMENTS FROM COUNSEL: Matthew Lawrence, AAG

- No comments from counsel.

COMMENTS FROM CHAIR: J. Nicholas D'Ambrosia

- Question posed to him about reciprocal licensing. Why can't someone in Maryland not have a reciprocal license? Would like the situation to be looked at and have further discussion at next month's meeting.
- Public policy committee, with MR, is looking into the definition of principal place of business versus principal place of office.
- Action needs to be taken to approve the recommendations of the Agency Task Force. Floor turned over to Commissioner Scott, Chair of the task force.

COMMENTS FROM TASK FORCE CHAIR: Demetria Scott

- Commissioner Scott recapped the process to get to where we are now, which leads to four points that now need voting on.
- Announced that Dave Stromberg and Colin McGowan will co-teach all four sessions.

Recommendation #1: MREC should revise the existing MREC Agency Disclosure forms and recommended materials - removing references to Agency and incorporating new definitions provided under the Brokerage Relationships law.

The current Agency, Consent for Dual Agency, Notification of Dual Agency Within a Team, and Open House disclosures should be updated to better reflect the new definitions and changes from Chapter 381. MREC Counsel has revised all documents. Draft versions of the four (4) documents have been attached for MREC review and approval (Attachments 2-5).

Motion (made by Marla Johnson, seconded by Jeff Wright) **to accept recommendation #1. Motion carried.**

Recommendation #2: The current required 3.0-hour mandatory MREC Agency - Residential class should be replaced with a 3.0-hour mandatory course on Brokerage Relationships & Disclosures.

In keeping with the terminology change from Agency to Brokerage Relationships, the name and content of the current Agency course should be adjusted to reinforce licensee understanding of the new concepts. The new proposed course title for approval is: MREC Principles of Real Estate Brokerage Relationships & Disclosures. In addition, the course materials should be amended to include the expanded confidentiality obligations that licensees face after unsuccessful buyer broker or listing appointments. Board counsel updated the 2016 Agency Course outline to include the relevant sections of new and existing Maryland Law (Attachment 6).

Motion (made by Jeff Wright, seconded by Marla Johnson) **to accept recommendation #2. Motion carried.**

Recommendation #3: The 2016 version of the MREC-Agency Train-the-Trainer materials should be revised to better reflect new changes in the law effective October 1, 2019 and approach Brokerage Relationship education with emphasis upon the experience level of a typical licensee.

Motion (made by Marla Johnson, seconded by Karen Baker) **to accept recommendation #3. Motion carried.**

Recommendation #4: MREC should consider revising the content of the current 3.0-hour Mandatory Brokerage Supervision Course during the next 12-month period.

Motion (made by Marla Johnson, seconded by Karen Baker) **to table the discussion of recommendation #4. Motion carried.**

Motion (made by Marla Johnson, seconded by Jeff Wright) **that instructors must use the PowerPoint presentation and the outline. The slides may be reordered but none can be eliminated. Motion carried.**

UNFINISHED BUSINESS:

- Commissioner Wright raises question about the replacement of Commission Reeder on the application review committee. Commissioner Baker volunteers to fill the vacancy.

Motion (made by Anne Cooke, seconded by Marla Johnson) **to add Commissioner Baker to the Application Review Committee. Motion carried.**

- Commissioner Cooke questions when will the one-click rule be finalized as she is seeing offenses.

Motion (made by Demetria Scott, seconded by Marla Johnson) **for administrative staff to stop giving warning and advise that formal complaint needs to be filed and will go through formal process like other complaints. Motion carried.**

NEW BUSINESS:

- Susan Mitchell, MR, shares that public policy topics of discussion include:
 - Licenses expire at the same time
 - Auctioneers to be licensed
 - Property management licenses

ADJOURNMENT:

There being no further business, the meeting adjourned at 12:05 P.M. The next monthly business meeting is Wednesday, September 25, 2019.

APPROVED AS PRESENTED _____
J. Nicholas D'Ambrosia, Chairperson

APPROVED AS AMENDED _____
J. Nicholas D'Ambrosia, Chairperson