

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
January 18, 2017, 10:30 AM

Highlights from the meeting:

- Current license count is 42,258
- Collection of social security numbers is required by MHEC
- Guaranty fund balance for November - \$926,744.84
- Final exam writing session is scheduled

PRESENT:

Commissioner J. Nicholas D'Ambrosia, Chair (Industry)
Commissioner Marla Johnson (Industry)
Commissioner James Reeder (Consumer)
Commissioner Jeff Wright (Industry)
Commissioner Anne Cooke (Industry)
Commissioner Karen Baker (Consumer)
Brian Weeks, AAG
Katherine F. Connelly, Executive Director
Charlene Faison, Education Administrator, Session Recorder
Jillian Lord, Assistant Executive Director

ABSENT:

PUBLIC IN ATTENDANCE:

Mark Feinroth, MAR
Bob Johnston, AACAR

CALL TO ORDER:

J. Nicholas D'Ambrosia, Chair, called the meeting to order at 10:30 a.m.

APPROVAL OF MINUTES:

Motion (made by Anne Cooke, seconded by Jeff Wright) **To approve the minutes of the December 21, 2016 business meeting. Unanimous approval.**

REPORT OF COMPLAINTS/ADMINISTRATIVE DISMISSALS:

Motion (made by Marla Johnson, seconded by Jeff Wright) **To approve the Administrative Dismissals for the month of January 2017. Motion carried.**

COMMITTEE REPORTS:

1. Education – Jeff Wright

- For the month of December 2016 PSI administered 909 salesperson and 50 broker exams, compared to 834 salesperson and 51 broker exams in December 2015.
- Mr. Wright thanked everyone that attended the test writing session with PSI.
- Kathie Connelly went over responses received thus far from education providers attending the Educators Meeting

2. Legislative – Marla Johnson, Legislative Chair

- No comments from Commissioner Johnson.
- Mark Feinroth, MAR, confirms they are moving forward with legislation for open houses.
- Kathie Connelly noted bills of interest to the industry.

COMMENTS FROM EXECUTIVE DIRECTOR: Katherine F. Connelly

1. Current license count totals 42,258, of which 4,325 are brokers, 3,056 are associate brokers, 33,856 salespersons. Of the total count, 1,743 are inactive.
2. Guaranty fund balance for November - \$926,744.84 and we paid \$0.00 in claims for the month.
3. Mileage rate has been reduced to .535 per mile from .540.
4. The MREC received a response from MHEC regarding social security numbers. Career schools are required to collect them as part of their enrollment contract with the student and annual report collection to MHEC. It is required because many schools also participate in the Workforce Innovation and Opportunity Act (WIOA) which is part of the U.S. Department of Labor and Education's efforts to verify employment outcomes.
5. Ms. Connelly attended the ARELLO leadership meeting in San Diego this month.
6. Ms. Connelly is currently working on the travel approvals for the April mid-year meetings.
7. Ms. Connelly will be teaching broker supervision and REC update classes and meeting with the regional director of Keller Williams to discuss advertising issues.
8. The Commission's final exam writing meeting is scheduled for January 24, 2017.
9. Ms. Connelly received an invite from Keller Williams in Texas to be on a panel with other regulators and attorneys to discuss advertising. The meeting will be Las Vegas.

COMMENTS FROM COUNSEL: Brian Weeks

1. Fee reduction regulation was published and is now in effect.
2. Regulatory reform packet to be published on Friday, January 20, 2016 with comment period lasting until early March.

COMMENTS FROM CHAIR: J. Nicholas D'Ambrosia

- Chair D'Ambrosia revisited the topic of payments to teams. Question remains of whether the team leader may pay out money as an individual to other people after the money is paid to the broker.
- Topic of reciprocity also revisited. It is understood the law passed in 2006 confirmed that Maryland would allow reciprocity. Chair D'Ambrosia raises the question of what does the law

really say about reciprocity? Per counsel, Brian Weeks, MREC may issue a license if the primary business address is outside of Maryland. This has been the process since the law's origination and to date has not been challenged. The question exists of whether or not an agreement between states is necessary. A final question was raised examining whether a licensed individual may obtain additional licenses as a reciprocal licensee. Counsel states that what MREC has practiced for the last ten years is acceptable.

UNFINISHED BUSINESS:

- None

NEW BUSINESS:

- None

ADJOURNMENT:

There being no further business, the meeting adjourned at 11:40 A.M. The next monthly business meeting is Wednesday, February 15, 2017.

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

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