



WHO ARE WE? (And What Do We Do)

Marvis Brice
Commission Chair

Articles are often written on the subject of change. One thing we can count on is very few things in life stay the same. Change is constant. With every generation changes in how we live and function in our daily lives, both personal and in business, seem to come at a faster pace. However, some things do remain constant. Such is the case with the purpose of the Idaho Real Estate Commission (IREC).

We are the governmental agency responsible for the administration and enforcement of the Real Estate License Law, Subdivided Lands Disposition Act and accompanying administrative rules. We are responsible for promulgating rules, establishing fees, initiating and deciding disciplinary actions against licensees, setting administrative policy, and overseeing the agency's financial affairs. As Commissioners, our role is to protect the public interest, including consistent, fair, impartial administration and enforcement of the license law and rules.

The Commission is made up of four members, appointed by the governor for four year terms from four different geographical areas of the state. We administer the real estate license law and hire an Executive Director to carry out the day-to-day responsibilities of the Commission. In addition, we hire a private attorney on a contract basis to advise us on questions of law. We meet monthly (except December) to review issues that come before us. The agenda for each meeting is posted at the Commission office on IREC's website and distributed to the local REALTOR®

Associations throughout the state. These are open meetings; licensees are always welcome and encouraged to attend. We believe attendance at these meetings has an educational value and IREC allows up to 4 hours of continuing education (CE) credit for attending an entire meeting.

Now that we have covered who we are, let's talk about what we do. As mentioned above our job is to protect the public interest. So, how do we do that? The following items are an overview of the processes used to accomplish what is required by real estate law, rules, regulations and published guidelines to assure buyers and sellers that licensed agents they are working with have basic skills to represent them properly.

1. Requirements for Licensing: Licensing requirements are set by law and include 90 hours of pre-license education, examination, and fingerprinting. The law also requires a high school diploma or equivalency (GED) and a minimum age of 18. Once a sales license is issued, the sales associate must work under a Designated Broker. An additional 90 hours of education is required to secure a broker's license and requires a minimum of 2 years (in the last 5 years) experience.

2. Education: Both pre-license and continuing education requirements are set in the license law and enforced by the Commission. The Idaho Real Estate Education Council was created as an advisory group to Commissioners. They make recommendations to the Commission on real estate education

policies, course content and quality for all education courses approved by the Commission. (See additional information regarding the Education Council elsewhere in this publication.)

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Donna Capurso, Member

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Mike Gamblin, Vice Chair

Idaho Pioneer Real Estate School, Boise
 Email: info@idahorealestateschool.com

Michael Johnston, Member

The Home Specialist Real Estate Company, Pocatello
 Email: mike@mikejohnston.com

IDAHO REAL ESTATE COMMISSION STAFF

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Administration

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- Tammy Collier** - tammy.collier@irec.idaho.gov (Management Assistant).....ext. 103

Education & Licensing Department

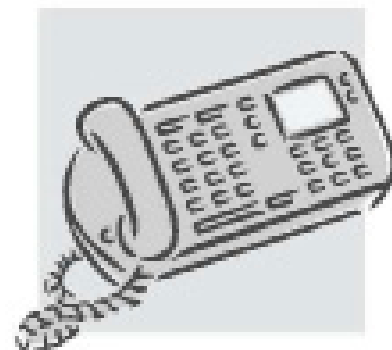
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- Jesama Rosensweig** - jesama.rosensweig@irec.idaho.gov (Administrative Assistant I).....ext. 106

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- Megan Owens** - megan.owens@irec.idaho.gov (Investigator)ext. 113
- Gayle Nelson** - gayle.nelson@irec.idaho.gov (Inspector).....ext. 112
- Stephanie McLarin** - stephanie.mclarin@irec.idaho.gov (Administrative Assistant II).....ext. 108

Commissioner Attorney

Kim Coster





IREC Welcomes New Commission & Council Members!

Jeanne Jackson-Heim
Executive Director



The Idaho Real Estate Commission welcomes Kathleen Weber as its newest Commissioner from the North District. Kathy was first licensed as a real estate agent in 1980 and obtained her broker license in 1988. She is the Designated Broker and Manager of RE/Max Connections Real Estate in Moscow and holds the GRI (Graduate REALTOR® Institute), Accredited Buyer's Representative, and Certified Residential Specialist designations. Kathy has been active with the Idaho Association of REALTORS® for many years and has served as a member of its Professional Standards Committee. When I first chatted

with Kathy after her appointment, she told me she was very excited and honored, and she was looking forward to the challenge.

Not wanting to disappoint, we gave Kathy a real baptism by fire! We sent her straight off to an ARELLO conference and Commissioner College in September, and her first official IREC meeting was a 3-day formal hearing in October. It only took four months to show her what a "regular" meeting looks like! Kathy has proven to be a quick study with a great sense of humor, and we have enjoyed getting to know her better.



Michael James Johnston of The Home Specialists in Pocatello was appointed by the Commissioners to the Education Council in July, representing the Southeast District. Mike brings a variety of talents to the Council, having been a certified instructor and designated broker for many years. We appreciate Mike's fresh perspective and attention to detail; plus, he is someone who really thinks outside the box! We look forward to working with him on the Council and hearing more of his creative ideas.

Thanks to Mike and Kathy for their willingness to serve and volunteering their time to the Commission.

~ Audit Honor Roll ~

May 2011 - October 2011

Barbara A. Stevens, DB26340
Stevens Realty, LLC

Helen A. Cobler, DB16219
United Realty, Inc.

John A. Beutler, MA621
John Beutler & Associates, Inc.
DBA: Century 21 Beutler & Associates

James D. Loyd, DB4896
Ketchum Realty, Inc.

Robert A. "Bob" Kesting, DB16582
River Run Realty, Inc.
DBA: River Run Realty

Gisela Light, DB10212
HE Light, Inc.
DBA: Century 21 Southern Idaho Realty

Douglas S. Page, DB10922
HDR Referral Real Estate, LLC

Robert M. "Mike" Harrington, DB21228
The Real Estaters, LLC

Larry A. Cunningham, DB1774
Cunningham Realty, LLC

John W. Faw, DB18167
Waldo Insurance, Inc.
DBA: Waldo Real Estate

Carrie A. Hasselbring, DB17651
Hasselbring Enterprises, Inc.
DBA: Re/Max Preferred Properties

Gary M. Gifford, DB2762
The Realty Company

Ruth E. Howard, AB19167
North Idaho Group, LLC
DBA: Century 21 RiverStone

Kent L. Collins, DB14636
Prudential Idaho Homes & Properties, Inc.

Calvin L. Harmon, DB3208
Harmon & Associates

Diane E. Caughlin, DB20435
Garden Valley Properties, LLC

Address Updates Required By Law!

Idaho license law requires all licensees to provide the following personal contact information: residence address, mailing address, and telephone number. In addition, the law requires licensees to notify the Commission within 10 business days of any changes in the above information OR a personal name change (Idaho Code 54-2012(1)(k) and 54-2018(9)).

If you use a post office box to get your mail, you must also provide a physical residence address. In addition, you may only use a business address as your personal residence address if your office is in your home. And, if you plan to be out of town for an extended period of time, you should update your mailing address through the IREC online services. There is no charge to make changes, and it's fast and easy to do - just visit <http://irec.idaho.gov> and log in to your account. (For a name change, we do require documentation to be submitted to the IREC office with a name change form, available on the IREC website on the Forms page.)

Online Lottery Winners!

Renew your license online at irec.idaho.gov and you will automatically be entered in a drawing for a refund of your license renewal fee. A new winner every month!

June 2011 - Pamela R. Smith,
SP38773, an inactive salesperson

July 2011 - Richard O. Green,
BR2906, an inactive broker

August 2011 - Shawna Fellows,
SP16126, Keller Williams Realty,
East Idaho

September - Russell Dane,
SP15009, Keller Williams Realty,
Boise

October 2011 - Kimberly P. Trent,
SP32590, an inactive salesperson

November 2011 - Marc L. Banner,
DB361, Realty Management As-
sociates, Inc., Boise

IREC's New Address is:
575 E. Parkcenter Blvd.
Suite 180
Boise, Idaho 83706



Understanding Your License Renewal & Status

MiChell Bird
Education & Licensing Director

License renewal is an easy process with IREC's online services. It only takes a few minutes to pay online by credit card or e-check, and you can complete the renewal at your convenience, even in your pajamas. Simple, but what if you forget to renew before the expiration of your license? If a licensee does not renew the license prior to 5:00 p.m. MST/MDT on the expiration date, the license expires. The good news is that you can still renew your expired license online for up to a year on an inactive status.

Why is a timely renewal so important? Idaho license law prohibits a licensee from conducting activity requiring a real estate license on an expired or inactive license. Examples of activity requiring a real estate license include, but are not limited to: advertising any listings; taking "floor duty"; showing property; being a party to an active buyer or seller representation agreement; preparing contract documents on behalf of a client or customer; soliciting appointments for listing presentations; soliciting buyers or prospects; negotiating or presenting offers; or preparing information on listed properties for distribution to the public.

When renewing late, you must pay a late fee of \$25 in addition to the \$160 renewal fee. If your license expired on active license status, you must certify whether you participated in any real estate activity on the expired license. If you did practice real estate during the time your license was expired, you must admit so and agree to pay a civil fine.

Remember: An expired license that is not renewed within one (1) year of the expiration date shall be automatically

terminated and may not be renewed. If your license is terminated, you no longer have a real estate license in Idaho. There is NO reinstatement process and NO grace period. All pre-licensing requirements must be met to get a new license, once terminated.

Keeping your license can be easy, especially if you are not conducting ANY real estate business, by just changing it to inactive status. While your license is on inactive status, you are not required to carry Errors and Omissions Insurance or complete the required continuing education until you want to become active again. If you renew your license every two years, you can remain on inactive status indefinitely without your license terminating.

Inactivating your salesperson or associate broker license is easy! IREC's online services allow designated brokers to facilitate the inactivation process with a click of the mouse. In fact, under Idaho license law it is your designated broker's responsibility to do so. If you wish to inactivate your license, the first step is to contact your broker and request to be released from the company. Your designated broker can log into IREC's online services and "remove an associate." By doing so, your license status will change from active to inactive, and you will no longer be affiliated with the brokerage. All inactive licenses are independent of a company or real estate firm. You should follow up by monitoring your own account at irec.idaho.gov to see this change take effect.

Don't fret, late license renewal and inactivation is easy. And remember, you can always call IREC for assistance.





Who is the Real Estate Education Council and What Do We Do?

Beckie Kukal
Education Council Chair

The Real Estate Education Council is comprised of one member from each of the four districts, including North (Donna Capurso), East (Mike Johnston), South (Beckie Kukal) and West (Mike Gamblin). We are appointed by the Idaho Real Estate Commission for 4-year staggered terms. Completing the Council, we have a Commissioner member who acts as a liaison between the Council and Commission and the Executive Director, Jeanne Jackson-Heim. Our Education and Licensing Director, MiChell Bird, serves as council executive and Administrative Assistant, Jesama Rosensweig, assists the Council. Tech Records Specialist Neal Bernklau also helps by reviewing course applications and special considerations before they are seen by the council.

The Council has the task of reviewing all real estate courses as they are submitted for approval or renewal. We make sure that they fit the approved topic guidelines set forth in Idaho Real Estate License Law and Rules, the submitted course matches the outline, there is sufficient material for the allotted hours and the courses are related to real estate brokerage practice. We review all courses every two years at renewal to make sure the content is still relevant and meets all requirements.

You may have seen one of us in a continuing education course on occasion. Council members audit courses throughout the State to ensure the instructor is teaching the outline or curriculum approved by the Commission, not promoting their products (books, tapes, technology, etc.), and conducting themselves in accordance with the license law and rules. We require that all instructors attend an Instructor Development Workshop at least once every two years to help sharpen their teaching skills and share new ideas and technology. We also help develop and present the latest Core to instructors.

We all know that at some time during our two year licensing period we will have 16 hours of CE and a Core course we are required to take. You are asked at the end of each course to fill out an Instructor Evaluation Form. Most of us either slip it aside or hurriedly mark it so we can get the Certificate of Completion and head out the door. Have you ever stopped to really consider what this form is asking of you? It helps us gauge how well the instructor does (e.g., can he/she answer your questions, engage the group in discussion, etc.) There is a space at the bottom of each evaluation form that asks for your comments. We ask that you take a minute and think about this section. We invite your remarks as they help us provide constructive feedback to the instructor and improve the certified course offerings.

As addressed in the last issue, on more than one occasion we have heard complaints about an instructor or course only to go back to the evaluations to find that everyone thought it was wonderful! Truly, the instructor has no way of knowing it was you who said he/she couldn't control that person on the cell phone who would not stop talking during class! And please... do not tell us the room was too hot, there were no treats, or the coffee was cold. There are some things even WE can't control!

Happy learning!



Did you know IREC has a Facebook page? Be our "friend" or "like" us! We also have a Twitter account, user name IdahoREComm.

Disciplinary Actions

May 1, 2011 – October 31, 2011

Formal Actions taken by the Real Estate Commission:

Ayles, Steve L., designated broker in Coeur d'Alene. Stipulated to violation of Idaho Code 54-2038(3) - allowing persons not properly licensed to be advertised by his brokerage; 54-2053(1) - naming inactive or expired licensees in advertising; and 54-2053(4) - misleading advertising. Given a formal reprimand; ordered to pay a civil fine of \$500; and required to pay \$300 for costs and attorney's fees.

Bisbee, Lauren S., salesperson in Sandpoint. Stipulated to violation of Idaho Code 54-2053(4) - misleading advertising and 54-2060(3) - failure to account for property. Ordered to pay a \$2,000 civil fine; \$300 for costs and attorney's fees; and must successfully complete a live Risky Business class.

Corleone, G. Roger, associate broker in Meridian. Involved in a sequence of transactions involving a lot. Property was transferred back and forth multiple times, and records were inadequate to assess what was happening. Stipulated to violation of Idaho Code 54-2060(4) - failure to keep adequate records. Given a formal reprimand; ordered to pay a \$3,000 civil fine, with \$1500 withheld providing he meets all the terms of the final order; license is suspended for 12 months, but the suspension is withheld, provided he complies with all the terms of the final order. Required to reimburse the Commission \$500 for the costs and attorney's fees, and must successfully complete a live Idaho Real Estate Finance class.

Fitzgerald, Laura L., designated broker in Twin Falls. Knowingly allowed her licensee to use a double contract to obtain financing for a client. Stipulated to violation of Idaho Code 54-2038(1)(a) - failure to supervise licensee. Given a formal reprimand; ordered to pay a civil fine of \$1,000; required to pay \$300 for costs and attorney's fees; and must successfully complete a live Risky Business class.

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Johnston S. Hill and Right of Way Negotiators, both unlicensed. Both stipulated to violation of Idaho Code 54-2002 as defined by section 54-2004(33)(a), (c) & (d) - unlicensed practice of real estate, by acting as a right of way negotiator for various eminent domain takings, in anticipation of a fee. Each ordered to pay a \$1,000 civil fine (\$2,000 total) and a total of \$300 for costs and attorney's fees.

Long, Daren G., designated broker in Idaho Falls. License suspended by Order of H&W Child Support Services, 10/11/11 – 10/19/11.

Mayes, Blake, designated broker in Boise. Received an order from an asset manager to take over the short sale of a property. This was not a repossession, and the property was listed with another firm, and under contract with a buyer. He sent a salesperson to get documents signed by the bank, and caused the property to be entered into the MLS without a listing signed by the actual owner. Stipulated to violation of Idaho Code 54-2038(1)(a) - failure to supervise salesperson and his unlicensed staff, who entered the data into the MLS; and 54-2054(4) - interference with the original broker's listing agreement. Given a formal reprimand, and required to successfully complete a live Risky Business class.

O'Berg, Clydelia Ann "Clyde", salesperson in Twin Falls. Had a client who did not qualify for financing. They had specific debt they had to pay down in order to qualify. O'Berg loaned them the money to pay the debts down. They exchanged debt that appeared on the credit report for a promissory note that did not. This caused the underwriter to authorize a loan they were not qualified for. Stipulated to violation of Idaho Code 54-2060(8) - use of a double contract, and 54-2060(11) - dishonest and dishonorable dealing as defined by 54-2054(5). Given a formal reprimand; ordered to pay a \$3,500 civil fine; required to pay \$300 for costs and attorney's fees and must successfully complete a live Real Estate Finance class.

O'Donovan, DeAnn, unlicensed. Came into Idaho to list four assisted living properties. Stipulated to violation of Idaho Code 54-2002, as defined by 54-2004(33)(a),(c) & (d) - unlicensed practice of real estate. Ordered

Disciplinary Actions continued on page 7



Ledger Cards

**Gayle Nelson
Inspector**

A ledger card should tell the "who, where, what, when, how and why" for one real estate transaction.

Make the ledger card as soon as a transaction begins. This assumes the offer is brought to the real estate office immediately, as required by law. The broker creates the ledger card before the offer is even presented to a seller. This way ledger cards exist for rejected and fallen transactions too.

The transaction should be given the next number in a sequence. Also record the property location and the names of buyer and seller. The names of the parties need to be accurate. "Owner of record" or the seller left blank is not acceptable for the owner name. If the owner is not disclosed, the name can and should be found with some research.

Each entry should be dated and explain the actions that day. The first entry may record the receipt of earnest money; the amount and when and where it is to be deposited or transferred per written instructions. The next entry may record the amount of the deposit into the trust account or transfer to another entity. If money is transferred, the broker is required to obtain a dated receipt for

the transaction file. Entries should be made promptly to keep cards current at all times.

Cards for pending transactions should be stored separately from those for closed and failed transactions. As transactions close or fail, an entry on the card should tell the status. Details must include the trust account check number, to whom and why the earnest money was disbursed. Then cards should be moved with other closed/failed and stored by transaction number or alphabetical order.

To cover bank charges, a broker may deposit a maximum of \$300 in maintenance money to the trust account. If so, they need to keep a card titled "trust account maintenance fund" to record all additions and deductions. This should be kept with the cards for pending transactions. When reconciling the trust account, the balance of the maintenance fund should be tallied with pending transactions.

Those making ledger cards should ask themselves, "if someone else were to read this, would they know the status of the funds and the transaction?" Each ledger card should tell the complete story of a transaction.

Employees Recognized for Valuable Service

Last month the Commission took a moment to recognize valuable employees for their longstanding service to the State of Idaho. Commission Chair Marvis Brice presented MiChell Bird with a certificate for 10 years of state service, and Neal Bernklau received a certificate for 15 years of state service. Congratulations, and keep up the good work!



Marvis Brice & MiChell Bird



Neal Bernklau



Whose Responsibility Is It?

Megan Owens
Investigator

Many sales associates are changing brokerages or leaving the business, and the Commission is receiving a lot of questions about terminating sales associate/broker relationships (e.g., who has to be notified, and who is responsible for doing the notifying). Under Idaho License Law, the sales associate, broker, and the Commission must be notified, and the responsibility falls on both the broker and the sales associate.

Idaho Code 54-2056 requires both the sales associate and the broker to notify the other in writing within 3 business days if either terminates the relationship with the brokerage. Written notice must also be provided to the Commission. Providing written notification to the Commission that the broker/sales associate relationship has been terminated does not relieve the sales associate or broker of the duty to provide written notice to the other.

If a broker terminates a sales associate for misconduct or violation of any of the provisions of the Real Estate License Law, the broker must also notify the Commission in writing within ten (10) business days of the facts surrounding the termination. When a broker/sales associate relationship is terminated for any reason, the clients the sales associate obtained while working for the brokerage belong to the broker. Absent a written agreement with the broker, the clients and listings must remain with the broker. The sales associate is required to turn over to the broker all listing information and listing contracts, keys, purchase and sale agreements, buyer brokerage information and contracts, etc.

When a broker/sales associate relationship is terminated, it is also the responsibility of both to make sure any advertising placed by the associate is updated. For example, the broker must remove the sales associate from the brokerage's website and advertising, and the sales associate must update any websites or marketing materials advertising the brokerage. Similarly, the sales associate may not continue to advertise listings belonging to the brokerage. An associate who is on inactive status may not advertise himself at all.

The bottom line is; the broker and sales associate are both responsible to notify each other, and the Commission, in writing that their relationship has terminated. It is also the responsibility of both to make sure all advertising provides accurate information about the broker's and sales associate's relationship.



Thank You!!!

Thanks to all the IREC staff for their hard work to move the Commission offices to our new location - 575 E. Parkcenter Blvd., Suite 180, Boise, Idaho 83706. We are finally getting settled in, and it was a true team effort. The office is located between Delta Dental and Idaho Banking Company - Just turn in the driveway and go straight back to Logger's Creek Terrace - we're in the main entrance. Believe it or not, our new office is less expensive than the old office per square foot and it's so much nicer. Come to a Commission meeting and check out our comfy meeting room!

to pay a \$3,000 civil fine and \$300 for costs and attorney's fees.

Senior Living Investment Brokerage, Inc., unlicensed. Came into Idaho to list four assisted living properties. Brokerage stipulated to violation of Idaho Code 54-2002, as defined by 54-2004(33(a),(c) & (d) - unlicensed practice of real estate. Ordered to pay a \$3,000 civil fine and \$300 for costs and attorney's fees.

White, Michael D., salesperson in Sandpoint. Stipulated to violation of Idaho Code 54-2061(1)(a) - conviction of felony. Given a formal reprimand; his license is suspended until March 1, 2016, but the suspension is withheld providing he complies with the Commission's final order, commits no additional violation of license law, and completes his felony probation; and required to pay \$300 for costs and attorney's fees.

The following licensees stipulated to violation of Idaho Code 54-2018(5) - submitting a license renewal application without having obtained the CE required by Idaho Code 54-20203(a); and/or 54-2060(7) - misstatement in the application for renewal of a real estate license. Civil penalty as shown. First time violation unless indicated by asterisks.

Beckstead, Scott L., designated broker in Preston - \$1,500**

Bilyeu, Lori, salesperson in Boise - \$150

Crum, Jr., Billie G., salesperson in Eagle - \$150

Eaton, Brad Lee, salesperson in Pinehurst - \$150

Krutzfeldt, Steve Jay, designated broker in Billings, MT - \$500

Lane, Ronald B., salesperson in Pocatello. \$500 civil fine; formal reprimand; \$500 costs and attorney's fees

Laughlin, Jana Lee, salesperson in Caldwell - \$150

Lockwood, Rebecca Lynn, salesperson in Sandpoint - \$150

McGraw, Richard W., associate broker in Boise - \$500

Murata, Thomas Hatsou Edward "Tommy", salesperson in Ontario, OR - \$1,000

Neville, David A., associate broker in Jackson, Wyoming - \$500

Reiley, Robert M., designated broker in St. Anthony - \$500

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Rowe, Holli, salesperson in Burley - \$1,000
Sabala, Raymond, associate broker in Twin Falls, - \$500
Schwendiman, Julie, salesperson in Boise - \$1,000
Turner, Carolyn, salesperson in Nampa - \$500
Weller, Barbara, salesperson in Kooskia - \$1,000

The following licensees stipulated to violation of Idaho Code 54-2013 – failure of a licensee to maintain Errors and Omissions insurance or failure of a licensee to submit or cause to be submitted a certificate of coverage as required. First time violation, unless indicated by asterisks.

Albert, Gabriel, associate broker in Meridian - Formal reprimand; \$100 fine; \$300 costs and attorney’s fees
All Idaho Real Estate and Properties, Inc., corporation in Nampa - \$600***
Aquino, Jack, inactive salesperson - \$300**
Arnell, Guy, designated broker in Burley - \$1,200****
Audette, Shanna Ann, inactive salesperson - \$150
Badiola, Florentina Helen, salesperson in Nampa - \$150
Bagley, Tracey Lynn, salesperson in Meridian - \$150
Baker, William Gregory “Bill”, inactive salesperson - \$300**
Barbot, Lena Marie, designated broker in Star – Formal reprimand; \$1,000; \$300 costs and attorney’s fees, and must successfully complete a live Business Conduct and Office Operations course.**
Bluemel, Dione Renee, salesperson in Pocatello - \$150
Boswell, Bradley James, salesperson in Spokane, WA - \$150
Boyce, Lance Nabler, salesperson in Rexburg - \$300**
Bratcher, Tracy, salesperson in Payette. Formal reprimand; \$200 fine; \$300 costs and attorney’s fees***
Brinegar, Clyde E., inactive broker - \$150
Briscoe, Jeremy Shane, salesperson in Pocatello - \$150
Brooks, Victoria Ann, salesperson in Eagle - \$300**
Brown, Robert Dale, associate broker in Kellogg - \$150

Disciplinary Actions continued on page 9

Who Are We? (And What Do We Do?) (continued from page 1)

3. Audits: Our Auditors are responsible to audit each office on a regular basis. These audits include compliance with trust account procedures, proper preparation of forms with appropriate signatures, initials, and dates, and meeting all record keeping requirements. Monthly reports are provided to the Commission indicating what areas of the state were audited and what type of violations were found. Recognition is also given each month to offices with no violations.

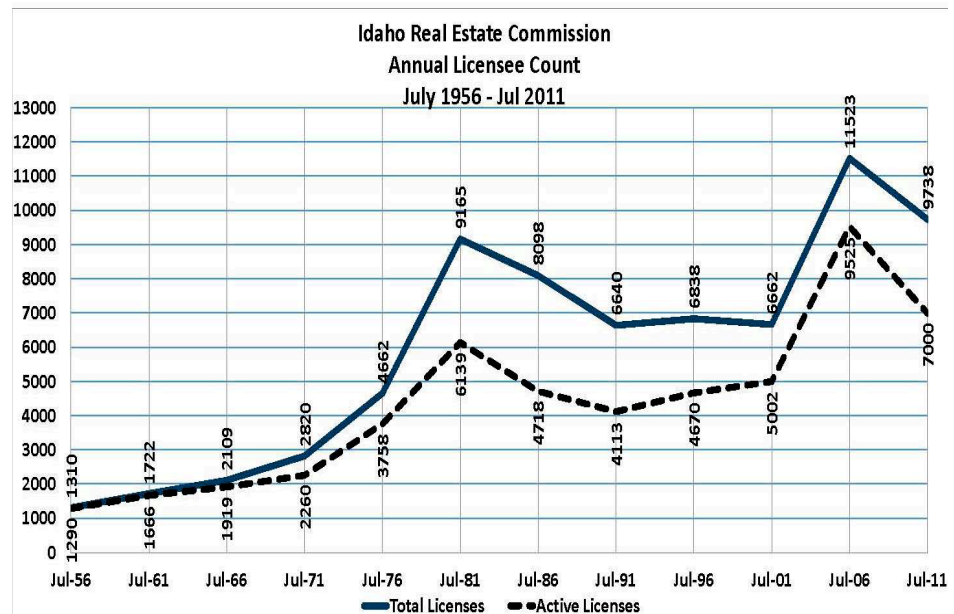
4. Enforcement: This department is responsible for following up on all complaints received by the Commission. These complaints may come from the public, other licensees, audits or directly from the enforcement department. They conduct all investigations and if a complaint is found to be an actual violation, the proper procedures are followed to accomplish the appropriate discipline.

5. Legislation: Over the years, the Commission by necessity has been involved with legislation required to implement new regulations. Some of the major changes that required legislative action were: 1) Continuing Education; 2) Pre-license and broker licensing requirements; 3) Agency; and 4) Miscellaneous issues including housekeeping type changes. This process can be very

time consuming and often takes several years to actually implement changes.

That brings us back to “change”. Even though our purpose hasn’t changed, how we accomplish what we do has, and never more rapidly than with the technology age. It was my privilege to serve as Commissioner from 1984 –1992. Although what we do hasn’t changed all that much, technology has certainly created a different way of doing it. It seems we do a lot more with less staff. We are nearly 100% with online license renewals now. Communication with licensees has been enhanced with online newsletters and regular broker communication letters. More and more approved continuing education classes are being offered online. Almost all records are now electronically stored. I believe that in the near future, we will be very close to a “paperless” agency.

Good communication between the Commission and licensees has a high priority. We are always looking for ways to make improvements. To stay informed, we encourage you to be sure and read the The Real Estate newsletter, check out our web site, www.irec.idaho.gov and again, plan to attend one of our meetings when you can. See you there!



Licensees peaked September 1, 2007 at a total of 12,994

~ In Memory of ~

Geraldine "Jeri" Pyeatt



It is with our deepest sympathy we say goodbye to a dear colleague, Jeri Pyeatt, who passed away June 27, 2011 due to complications of lung cancer. Jeri started her career with the Commission in 1978 and served as Executive Director from 1990-1997. Jeri will be fondly remembered for her leadership and contributions to the Commission, The Real Estate Educators Association (REEA) and The Association of Real Estate License Law Officials (ARELLO) during her tenure.

The Idaho Real Estate Commission also extends its deepest sympathies to the families of:

Rosalee Karin "Rose" Davis, Meridian

Linda Sue Brevig, Eagle

August Jay "Pete" McArthur, Homedale

Kay Walston, Boise

William Foster, Boise

John Arant, Boise

**New Address or Phone?
You must notify the
Idaho Real Estate Commission within
10 business days
(Idaho Code Section 54-2018(9))**

To change your contact information go to irec.idaho.gov and log in to IREC's online services. Once logged in you can update your address, phone or e-mail. Remember to click the "Save Changes" button to save your updated information.



Byers, Frank Michael, designated broker in Boise - \$300**

Campos, Jose, salesperson in Boise - \$600***

Canyon Realty, corporation in Caldwell - \$150

Caradies, Michele Jeanette, inactive salesperson - \$150

Cargill Real Estate, limited liability company in Lewiston - \$150

Carlson, Kathy Dehaven, associate broker in Garden City - \$150

Carlson, Martha Elena, salesperson in Meridian - \$150

Carmody, Elizabeth, salesperson in Boise - \$300**

Checketts, Eric Alan, salesperson in Nampa - \$150

Chetwood, Holly Jean, salesperson in Moscow - \$300**

Chidester, Linnea, salesperson in Blackfoot - \$300

Chidester, Scott Milton, salesperson in Blackfoot - \$150

Christensen, Garth N., salesperson in Boise - \$150

Christensen, Krysten Mykell, salesperson in Kuna - \$150

Clark, Page Lorraine, salesperson in Coeur d'Alene - \$300**

Clausen, Jenny Diane, salesperson in Boise - \$150

Cleaver, Debbie Ann, designated broker in Meridian - \$150

Cleaver, Kristina Marie, salesperson in Meridian - \$150

Cochell, Angelia J., inactive salesperson - \$300**

Colwill-Mitchell, Marcia Jane, salesperson in Coeur d'Alene - \$300**

Dalton, Barry R., salesperson in Shoshone - \$300**

Davis, Todd Lane, associate broker in Rexburg - \$150

Dickerson Land Group, LLC, limited liability company in Nampa - \$150

Dobson, Jon Edward, associate broker in Boise - \$150

Downer, Julie Kathleen, associate broker in Eagle - \$300**

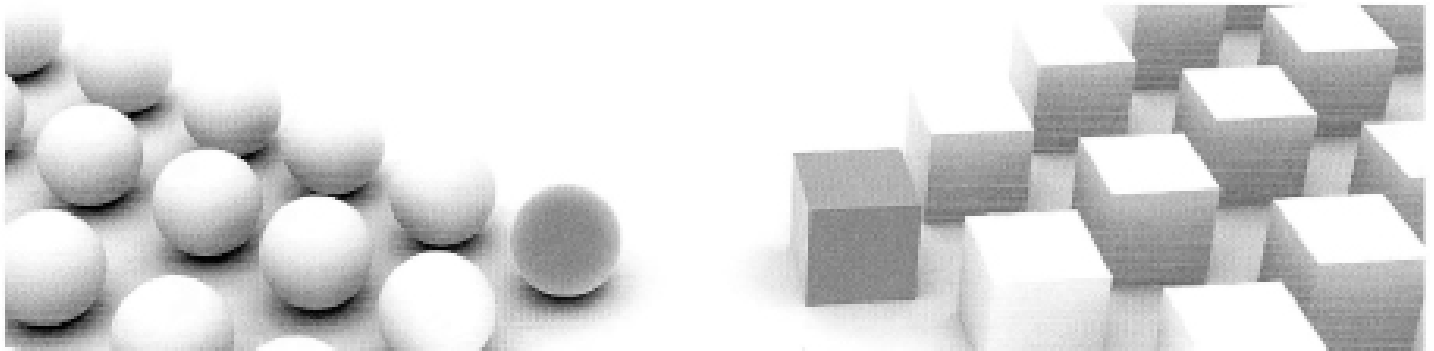
Dyndiuk, Jane, salesperson in Bellevue - \$150

Eason, Gail G., salesperson in Island Park - \$150

Echevarria, Richard D. "Rick", designated broker in Homedale - \$150

Disciplinary Actions continued on page 13

The Case of the Conflicted Loyalties



the facts

Ms. Johnson was in need of a new building for her law firm. Since business was booming, she began working with a real estate firm to assist in her search. After viewing several buildings, Mrs. Smith, the real estate agent, showed Ms. Johnson a building that was available for \$275,000. Ms. Johnson was interested in purchasing the building, but wanted to know if it could be renovated for under \$325,000.

Risk Factor #1

By referring a specific contractor the agent put herself and the agency at risk. All referrals should list multiple options & disclose that the client is responsible for the choice.

Mrs. Smith referred Ms. Johnson to a contractor, who happened to be her husband. According to Ms. Johnson, Mrs. Smith spoke with her husband and assured her the building and renovations could be hers for under \$600,000. Ms. Johnson purchased the building and retained Mr. Smith to complete the renovations. Mrs. Smith brought the renovation contracts to Ms. Johnson and was present during discussions with the contractor. Unfortunately, the renovation work was not completed on time or to Ms. Johnson's satisfaction.

Risk Factor #2

The agent started her role as real estate agent by also acting as an intermediary for her husband's contracting firm. In doing so, she failed to provide the highest standard of service to her client.

the result

She brought suit against the real estate firm, the real estate agent and the contractor for \$325,000. The case was eventually settled in Ms. Johnson's favor for \$160,000, including \$80,000 in legal expenses.

As a real estate broker, you need to be aware of both real and perceived conflicts of interest. What may look like a win / win situation, may be the biggest mistake you can make. It is important to make sure that your interests are mutually exclusive.



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Chevy Chase, MD 20815-7102
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Fax: 301-951-5444

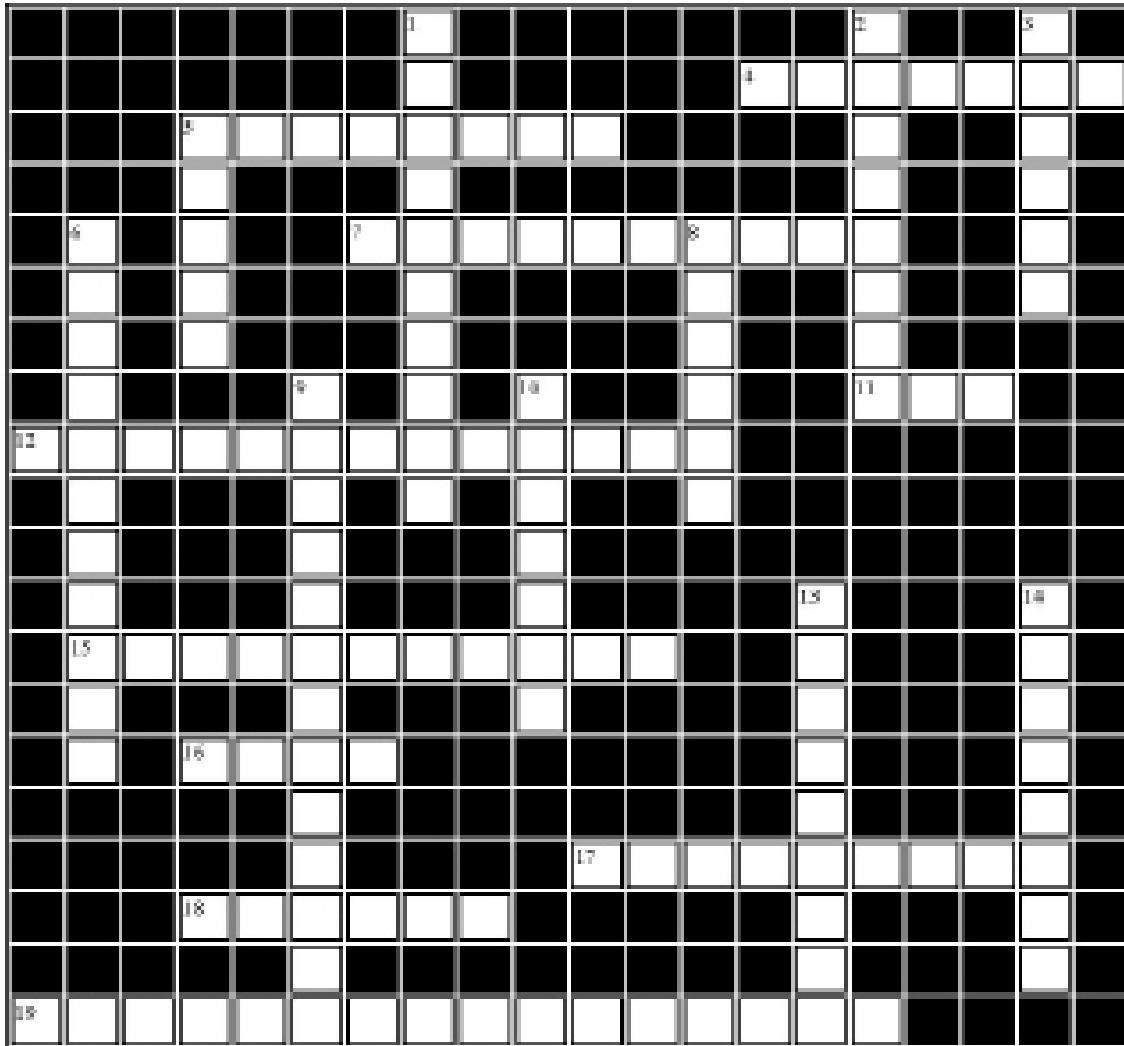
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IREC's Crossword Puzzle

Answers on page 15



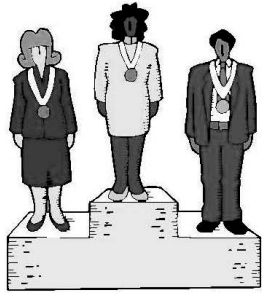
Across

4. A _____ license is required to render a broker's price opinion.
5. The _____ is responsible to keep proof of completion of continuing education?
7. It is illegal for a real estate licensee to place an advertisement that is _____.
11. A change in personal information must be reported to the Commission within _____ days.
12. The presence of a registered sex offender near a property is an example of _____ impact.
15. A salesperson must surrender consideration to the designated broker _____.
16. Idaho requires a _____ day cooling off period for consumers to cancel a pending real estate transaction.
17. A designated broker is required to _____ all licensed and unlicensed personnel.
18. The Duty to present offers to the seller client cannot be _____.
19. A salesperson cannot collect a fee in a regulated real estate transaction from anyone other than the _____. (two words)

Down

1. A "withheld Judgment" is considered a _____ under the license law?
2. Absent any written agreement with a real estate consumer, the licensee is a _____.
3. The Statute of _____ requires all real estate transaction contracts to be in writing to be enforceable.
5. A Purchase and Sale agreement must contain a _____ description of the property.
6. An action that is normal and customary to bring a transaction to closing is a _____ act?
8. Placing a silent second mortgage during a transaction is considered a _____ contract.
9. Earnest money is a form of _____.
10. All licensees must complete _____ hours of elective continuing education every two year renewal period?
13. Team names may not be advertised without including the name of the _____.
14. A real estate negotiation becomes a contract only upon _____ of a fully executed copy of the transaction documents.

How to Be Successful (From IREC Staff's Perspective...)



The Idaho Real Estate Commission's Staff is committed to seeing all licensees are informed and in compliance with the real estate license laws. We do this by distributing information through letters, publications, e-mails, postings on IREC's webpage and Facebook, Commission meetings (held monthly) and one-on-one phone conversations.

We strive very hard to help you navigate the processes of:

- Renewing your license online
- Errors & Omissions insurance renewal
- Submitting salesperson/broker applications
- Making changes to your license

And we're always glad to answer any questions you may have. Some things to keep in mind that may help you are:

- Read all correspondence and forms carefully, and submit all requested items
- Mark your calendars with important dates
- Complete the Continuing Education CORE course every year. (It has all the important license law updates.)
- Contact us for help

If you take these steps outlined above, you will be successful from IREC Staff's perspective. Our hats are off to you; you make it a pleasure to work at the Real Estate Commission!

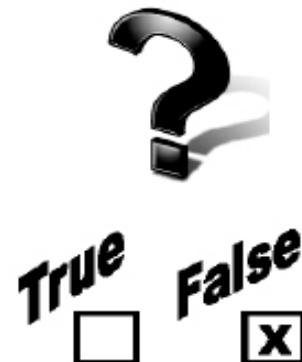
More About Group E&O Insurance

The group E&O insurance through Rice Insurance Services renews every year on October 1st, and the Commission has taken a zero tolerance approach to late renewals. There is NO grace period - not even an hour - and all late renewals will be assessed a fine, which is increased for repeat violations. Staff takes no pleasure in collecting fines, but we are obligated to enforce the license law consistently for everyone. Renewing late could put a licensee at risk for having a gap in his or her coverage, one of the reasons the Commission is so strict about the renewal date.

Rice has processed 888 claims and paid out nearly \$5.5 million over the last 7 years on behalf of Idaho licensees; the average legal expense payment was almost \$16,000. We recently heard that Rice receives a total of 100 new lawsuits every month filed against licensees in the 11 states they insure. \$186 per year seems like a bargain for insurance that not only covers actual damages but also pays attorney defense costs for a covered claim.

Code of Ethics: A Requirement of the Idaho Real Estate Commission?

About this time of year, the Commission receives numerous inquiries about the code of ethics requirement. Ethics training is not the Commission's requirement to hold an Idaho real estate license; rather, it is a requirement for membership in your REALTOR® association. Some ethics courses do also count for CE credit for license renewal. You can verify which ones at irec.idaho.gov under the Public Database Search and the Find a Course tab. Select the "Search all certified courses" radio button in the lower right side of the screen to see whether a course is certified for CE credit. If you want to find an ethics course being offered in your area, use the "Show current course schedules" selection. We support the REALTOR® ethics requirement; it's just not in the license law.



- Elliott, Brenda Ann**, salesperson in Mountain Home - \$150
- Ellis, Bert**, inactive broker - \$150
- Ensch, Kathleen "Kathy"**, salesperson in Boise - \$150
- Esparza, Michael**, salesperson in Twin Falls. Formal reprimand; \$200 fine; \$300 costs and attorney's fees**
- Failing, Norman Gene**, salesperson in Boise - \$150
- Fairchild, Shannon Elaine**, salesperson in New Meadows - \$150
- Ferney, Curtis**, associate broker in Boise. Formal reprimand; \$200 fine; \$300 costs and attorney's fees**
- Garden Valley Homes and Land**, limited liability company in Garden Valley - \$150
- Geach, Joseph Leroy**, inactive broker - \$150
- Gilles, Robert A.**, associate broker in Spokane, WA - \$150
- Gladhart, Kirk Evan**, salesperson in Spokane, WA - \$150
- Gluch, Shelley Arleen**, associate broker in Fruitland - \$150
- Goffin, Janet Lee**, salesperson in Twin Falls - \$150
- Goldman, Michael F.**, designated broker in Boise - \$300**
- Greeninger, Carlotta "Lolly"**, salesperson in Bellevue - \$100
- Handlos, Linda Jean**, inactive salesperson - \$150
- Hanna, Anthony Michael "Tony"**, salesperson in Coeur d'Alene - \$150
- Hanson, Elizabeth Ann "Beth"**, salesperson in Rexburg - \$150
- Harris, Scott Jay**, salesperson in Meridian - \$100
- Hearthstone Real Estate, LLC**, limited liability company in Post Falls - \$150
- Herrenbruck, Wayne D.**, salesperson in Moscow - \$150
- Hess Jr., Francis J.**, designated broker in Boise - \$600***
- Hruza, Valarie**, salesperson in Boise. \$100
- Hutchison, L. Thomas**, associate broker in Garden Valley - \$200**
- Idaho Real Estate Source**, terminated corporation - \$150
- Ideal Property Options Realty, LLC**, limited liability company in Nampa - \$300**
- Ignatchik, Vadim**, salesperson in Star - Formal reprimand; \$100 fine; \$300 costs and attorney's fees
- Integrity Group Real Estate Services, Inc.**, corporation in Meridian - \$150
- Ivacek, Kimberly D.**, salesperson in Nampa - \$150
- Ivko, Igor V.**, salesperson in Boise - \$150
- J & J Real Estate, LLC**, limited liability company in Caldwell - \$150
- Jackman, Joshua Benedict**, designated broker in Boise - \$150
- Jensen, Jeffrey Steven**, salesperson in Hayden - \$150
- Jesser, Braden**, salesperson in Boise - Formal reprimand; \$100 fine; \$300 costs and attorney's fees
- Keller, Scott R.**, salesperson in Pocatello - \$150
- Kelley, Christine Renee "Christi"**, associate broker in Boise - \$150
- Kingsbury, Julie**, salesperson in Eagle - \$100
- Knox, Sharon Louise**, associate broker in Meridian - \$150
- Kolouch, Thomas Doran**, designated broker in Seattle, WA - \$150
- Lamay, Nettie M.**, salesperson in Boise - \$300**
- Lantz, Daniel O.**, salesperson in Moscow - \$150
- Larsen, Rex B.**, designated broker in Boise - \$300**
- Lasher, Deborah L.**, salesperson in Boise - \$150
- Lloyd, Paul**, salesperson in Twin Falls - \$300**
- Loomis, Brian Allen**, salesperson in Moscow - \$150
- Ludlow, Judith Keilani**, designated broker in Boise - \$150
- MacKenzie, Lark**, salesperson in Fruitland - Formal reprimand; \$100 fine; \$300 costs and attorney's fees
- Matching Services, LLC**, terminated limited liability company - \$150
- McBride, Janice Marie "Jan"**, salesperson in Eagle - \$150
- McCarthy, John R.**, salesperson in Meridian. \$200**
- McGarrigle, Elizabeth Ann "Liz"**, salesperson in Twin Falls - \$150
- McKean, Curtis K. "Curt"**, salesperson in Boise - \$150
- McNeil, Deborah L. "Debi"**, associate broker in Eagle - \$150
- Meier, Jessica Lee**, salesperson in Boise - \$150
- Miller, Thomas Lamar "Lem"**, salesperson in Idaho Falls - \$150
- Mitchell, Dawn Christine**, salesperson in Boise - \$150
- Mitchell, Stephan Arthur "Steve"**, salesperson in Boise - \$150
- Moe, Stanley D.**, designated broker in Coeur d'Alene - \$150
- Montierth, E. Ray**, salesperson in Nampa - \$150
- Moody, James B.**, designated broker in Grangeville - \$150
- Moody, Susan Lee**, associate broker in Grangeville - \$150
- Moore, Craig Alan**, salesperson in Twin Falls - \$300**
- Moses, Bryan Roy**, salesperson in Horse-shoe Bend - \$300**
- Negotiation Services, LLC**, limited liability company in Boise - \$150
- Nelson, Deaune E.**, designated broker in Idaho Falls - \$150
- Nicolas, John Anthony**, associate broker in Meridian - \$150
- Nielsen, Daniel**, salesperson in Driggs - Formal reprimand; \$100 fine; \$300 costs and attorney's fees
- Nord, Reed D.**, salesperson in Rexburg - \$150
- Nordby, Corry**, salesperson in Boise - \$300**
- Northcut, William Ford**, salesperson in Boise - \$100
- Nuxoll, Roger D.**, salesperson in Grangeville - \$150
- Packer, David Alma**, salesperson in Salt Lake City, UT - \$300**
- Patten, Twila Ann**, salesperson in Boise - \$150
- Pennington, James J. "J.P."**, salesperson in Boise - \$150
- Pennington, James Michael**, salesperson in Boise - \$150
- Peters, Janice Joy**, salesperson in Boise - \$150
- Peterson, Laura L.**, salesperson in Challis - \$150
- Petruchok, Tatiana N.**, salesperson in Boise - \$150
- Plus Pointe**, corporation in Boise - \$300**
- Pouslen, Alison McIntosh**, designated broker in Ketchum - \$150
- Prather, James**, designated broker in Meridian - Formal reprimand; \$200 fine; \$300 costs and attorney's fees**
- Property Pros Realty**, limited liability company in Montpelier - \$150
- Propst, Andrew Lee**, salesperson in Boise - \$150
- Provencio, Jason S.**, salesperson in Boise - \$150

Renich, Estella E., salesperson in Cascade - \$150
Responsible Homeownership Outreach, LLC, limited liability company in Boise - \$150
Rex B. Larsen & Associates, LLC, limited liability company in Boise - \$300**
Rincover, Lawrence, designated broker in Boise - \$300**
Roecks, Bettie M., designated broker in Spokane, WA - \$150
Rohner III, Joseph Andrew, designated broker in Boise - \$150
Romrell, Donald T. "Don", salesperson in Rexburg - \$150
Rubio, Sandra Lee "Sandi", salesperson in Boise - \$150
Sabala, Lael Kathleen "Katy", salesperson in McCall - \$300**
Seamons, Lorinda Gayle, salesperson in Malad City - \$300**
Seehof, Jerrold "Jerry", inactive broker - \$150
Sittig, Greg Allen, designated broker in Caldwell - \$150
Skinner, Devin Roy, salesperson in Montpelier - \$150
Skinner, Evan Eborn, designated broker in Montpelier - \$300**
Slavin Jr., James, salesperson in Coeur d'Alene - \$100
Smedley, Timothy, salesperson in Weiser - Formal reprimand; \$200 fine; \$300 costs and attorney's fees.**
Smith, Patricia A., salesperson in Boise - \$150
Soper, Terry Lee, inactive salesperson - \$150
Spinnaker Realty, Inc., corporation in Star - \$1,000****
Stepp, Wilbur L., salesperson in Payette - \$150
Sternberg, Craig, designated broker in Hayden - \$150
Stewart, Stacy Andrew, inactive salesperson - \$150
Stimpson, Sean Veral, salesperson in Meridian - \$150
Strand, Brian John, salesperson in Boise - \$150
Tentinger, Timothy Charles, salesperson in Boise - \$150
Thompson, Dean Jeffery "D.J.", salesperson in Boise - \$150
Two Rivers Realty, LLC, limited liability company in Saint Maries - \$150

VanDoren, Denice D., salesperson in Boise - \$150
Vanek, Cindy Lynn, salesperson in Kuna - \$300**
Veis, Terry M., salesperson in Meridian - \$150
Walker, Timothy Lynn "Tim", salesperson in Nampa - \$150
Ward, Earl E., salesperson in Twin Falls - \$300**
Weld, Eric Sterling, salesperson in Boise - Formal reprimand; \$100 fine; \$801.95 costs and attorney's fees.
Whipple, Michael Read, inactive salesperson - \$150
Woodhouse, Kelly Brown, associate broker in Eagle - \$300**
Yochum, Wendy Lynne, salesperson in Lewiston - \$300**

Licensees who stipulated to violation of Idaho Code 54-2002, 54-2018(2) and 54-2060(10) – continuing to practice as a licensee after license expired or was inactivated. Fine is \$20 per day for designated brokers and \$10 per day for all other licensees.

Bafundi, Jonathan, salesperson in Boise - \$90
Bryant, Christopher K., salesperson in Garden City - \$30
Burts, Michael D., salesperson in Donnelly - \$90
Coffield, Caycee N., salesperson in Boise - \$30
Cooper, Zachariah T., salesperson in Coeur d'Alene - \$260
Faw, Sandra K., associate broker in Eagle - \$50
Higgenbotham, Jan, associate broker in Eagle - \$90.
Higley, Douglas Brian, salesperson in Pocatello - \$130
Lindow, Kimberley S., salesperson in Boise - \$10
Marmillion, David C., salesperson in Boise - \$130
McNaught, Ernest, salesperson in Nampa - \$320
Moncur, Gregory N., salesperson in Boise - \$160
Nafziger, Eric, salesperson in Eagle - \$90
Ordway, Kevin P., salesperson in Twin Falls - \$30
Roth, Antoinette Marie, salesperson in Boise - \$90

Schroeder, Cindy J., salesperson in Blackfoot - \$320
Stevens, Sharon E., salesperson in Boise - \$60
Sundholm, Margaret J., salesperson in Hailey - \$1,150
Wolin, Lois M., salesperson in Meridian - \$120
Workman, William John, salesperson in Twin Falls - \$50

The following designated brokers were issued a citation and civil fine as shown for violations found during their office audits:

Ayles, Steve, with Realteam Real Estate Center, in Coeur d'Alene - \$25
Baird, Mertello, with Exit Realty Idaho Falls, in Idaho Falls - \$150
Bassett, Timothy, with Bassett Properties, in Nampa - \$50
Bennett, Burke, with SE Idaho Homes, in Idaho Falls - \$75
Benson, Josephine "Jody", with J&J Real Estate, LLC, in Caldwell - \$75
Cooper, Judith, with Twin Lakes Realty, in Rathdrum - \$150
Cornish, Dayton Andrew "Andy", with Brokerage of the Tetons, Inc., in Jackson, WY - \$25
England, Esther, with Mountain West Real Estate, LLC, in Salmon - \$25
Erickson, Lonny "Lon", with Elite Realty, in Idaho Falls - \$25
Higley, Bryson, with Fall Creek Homes, in Idaho Falls - \$25
Kirkpatrick, Angelina, with Whitetail Club Realty, in McCall - \$50
Lucas, Joseph "Rusty", with Homeland Realty in Boise - \$75
Lyda, Nathan, with Gateway Real Estate, in Twin Falls - \$75
Piazzola, Angela, with Inland Northwest Realty, in Sandpoint - \$25
Sittig, Greg, with Canyon Realty, in Caldwell - \$75
Tucker, Julie, with Signature Real Estate Group, in Nampa - \$175
Whitaker, Shaun Red, with Realty Defenders, LLC, in Eagle - \$25
Wiebe, Heinrich, with Wiebe, Inc., in Boise - \$25



Answers for IREC's Crossword Puzzle (continued from page 11)

Across:

4. A _____ license is required to render a broker's price opinion. Answer: **Broker's**.
5. The _____ is responsible to keep proof of completion of continuing education? Answer: **Licensee**.
7. It is illegal for a real estate licensee to place an advertisement that is _____. Answer: **Misleading**.
11. A change in personal information must be reported to the Commission within ___ days. Answer: **Ten**.
12. The presence of a registered sex offender near a property is an example of _____ impact.
Answer: **Psychological**.
15. A salesperson must surrender consideration to the designated broker _____? Answer: **Immediately**.
17. A designated broker is required to _____ all licensed and unlicensed personnel. Answer: **Supervise**.
16. Idaho requires a _____ day cooling off period for consumers to cancel a pending real estate transaction.
Answer: **Zero**.
18. The duty to present offers to the seller client cannot be _____. Answer: **Waived**.
19. A sales person cannot collect a fee in a regulated real estate transaction from anyone other than the _____.
Answer: (two words) **Designated Broker**.

Down:

1. A "withheld judgment" is considered a _____ under the license law? Answer: **Conviction**.
2. Absent any written agreement with a real estate consumer, the licensee is an _____. Answer: **Nonagent**.
3. The Statute of _____ requires all real estate transaction contracts to be in writing to be enforceable.
Answer: **Frauds**.
5. A Purchase and Sale agreement must contain a _____ description of the property. Answer: **Legal**.
6. An action that is normal and customary to bring a transaction to closing is a _____ act? Answer: **Ministerial**.
8. Placing a silent second mortgage during a transaction is considered a _____ contract.
Answer: **Double**.
9. Earnest money is a form of _____. Answer: **Consideration**.
10. All licensees must complete _____ hours of elective continuing education every two year renewal period?
Answer: **Sixteen**.
14. A real estate negotiation becomes a contract only upon _____ of a fully executed copy of the transaction documents. Answer: **Delivery**.
13. Team names may not be advertised without including the name of the _____. Answer: **Brokerage**.

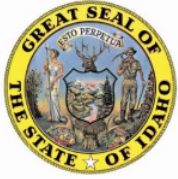
Proposed Law Changes for 2012

The license law presently caps license exam fees at \$100 per exam and E&O insurance premiums at \$200 per year. The Commission intends to seek a law change to raise those caps to \$150 and \$250, respectively. The E&O contract goes out for bid again this spring, and the license exam contract is up for extension within the next year.

Also, the Commission has proposed minor language changes to clean up a couple things left over from previous law changes, and the addition of a phrase to clarify CE classes taken in other jurisdictions must meet the same minimum standards for distance learning and classroom hours that apply to Commission-approved courses.

The proposed legislation will be available on the legislature's website at www.legislature.idaho.gov and also at irec.idaho.gov as soon as the bills have gone through the committee approval process to be printed and assigned a number.





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The Real Estatement is an official publication published semiannually by the Idaho Real Estate Commission. Articles by outside experts express the author's particular viewpoints. These opinions are not necessarily shared by the Commission, nor should they be mistaken for official policy. The articles are included because we feel they will be of interest to the readers. Submissions are solicited. However, articles should not exceed 500 words and may be edited as space and content demand. Reprint permission is granted provided credit is given to the Commission and the author. Any article separately copyrighted by its author(s) also requires permission from the other(s). Costs associated with this publication are available from the Idaho Real Estate Commission in accordance with section 60-202, I.C. 01-12/10,500/429. Please advise the Commission office of any individuals with disabilities needing accommodation.

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