

Real Estate Commission Meeting

September 15, 2021

**Atwood Building
550 W 7th Avenue
Suite 1550
(ZOOM ONLY)**

Anchorage

Call to Order

Approval of Agenda

STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY & ECONOMIC DEVELOPMENT DIVISION OF
CORPORATIONS, BUSINESS AND PROFESSIONAL LICENSING
Tentative Meeting Agenda

REAL ESTATE COMMISSION MEETING

September 15, 2021
Atwood Building 550 W. 7th Ave.
Suite 1550 (ZOOM ONLY)
Anchorage, AK

Email realestatecommission@alaska.gov for ZOOM information

Wednesday, September 15, 2021

Note: There will be a break for lunch from 12 until 1, if deemed necessary.

- | | | |
|-----------|---|-------------------------------------|
| 9:00a.m. | 1. Call to Order
a) Roll Call
b) Approval of 9/15 Agenda
c) Statements of Conflicts of Interest

2. Public Comments (est. time only; 9:15 am)

3. Meeting Minutes
a) June 16, 2021 | Markwood |
| 9:30a.m. | 4. Investigative Report
a) Statistical Report | Prieksat |
| 10:00a.m. | 5. Division Update
a) Fee Analysis | Dumas |
| | 6. Old Business
a) AREC Property Transfer Disclosure Form Regulations Project - Status Update
b) 2021 Strategic Plan Review | Consalo
Consalo/Markwood |
| | 7. New Business
a) Request for New Committee
b) Re-Election of Vice Chair, PM Committee Liaison & Education Liaison; Election of New Committee Liaison
c) DCE Topics for 2022-2024 Renewal Cycle | Schok
Consalo/Markwood
Harris |
| | 8. Executive Administrator's Report
a) Education Statistics
b) Licensing Statistics
c) RISC E&O Claims Report
d) Recovery Fund Balance Report
e) Application Matter: (EXECUTIVE SESSION)
- Daniel Vernon, License #182459 | Harris
Consalo |
| | 9. Commission Member Comments and Questions | |

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10. Adjournment

Please report any Ethics violations to Shyla Consalo or Nancy Harris.

Next Meeting: December 15, 2021

Statements of Conflict of Interest

Oral Comments & Public Comments

Meeting Minutes

1
2 STATE OF ALASKA
3 DEPARTMENT OF COMMERCE, COMMUNITY & ECONOMIC DEVELOPMENT
4 DIVISION OF CORPORATIONS, BUSINESS AND PROFESSIONAL LICENSING
5

6 REAL ESTATE COMMISSION
7 MEETING MINUTES
8

9 June 16, 2021
10

11 By authority of AS 08.01.070(2), and in compliance with the provisions of AS 44.62, Article
12 6, a scheduled meeting of the Real Estate Commission was held June 16, 2021, at the
13 State of Alaska Atwood Building, 550 W. 7th Avenue, Suite 1550, via Zoom, Anchorage,
14 Alaska.
15

16
17 **Wednesday, June 16, 2021**

18 **Agenda Item 1 - Call to Order**

19 Chairperson Cheryl Markwood called the meeting to order at 9:05 a.m., at which time a
20 quorum was established.
21

22 Roll Call – 1(a)

23 Members Present via Zoom

24 Cheryl Markwood, Broker, Broker at Large, Chairperson
25 Elizabeth Schok, Associate Broker, 4th Judicial District
26 Traci Heaton, Associate Broker, 1st Judicial District
27 Jaime Matthews, Public Member, Vice Chairperson
28 Jesse Sumner, Public Member
29

30 Elizabeth Schok and Jesse Sumner entered the meeting after roll call.
31

32 Staff Present:

33 Shyla Consalo, Executive Administrator
34 Sharon Walsh, CBPL Deputy Director
35 Erika Prieksat, Senior Investigator
36 Michele Hearn, REC Probation Monitor
37

38 Staff Present via Zoom:

39 Jun Maiquis, Regulation Specialist
40

41 Guests Present via Zoom:

42 Chad Stigen, Associate Broker, Berkshire Hathaway HomeServices Alaska Realty, Palmer
43 Errol Champion, Broker, Coldwell Banker Race Realty, Juneau
44 Cassandra Taggart, Broker, Real Property Management Last Frontier, Anchorage
45 Devon Thomas, Broker, Signature Real Estate Alaska, Wasilla
46 Mae Hayes, Associate Broker, Signature Real Estate Alaska – Mat-Su Realty & Appraisal, Wasilla
47 Frank Zellers, Broker, Real Broker, Eagle River
48

49 Approval of Agenda – 1(b)

50 Commission Members reviewed the meeting agenda.
51

52 Ms. Markwood noted there would be a minor change to the agenda regarding the order of
53 business in agenda item 7. Ms. Markwood indicated agenda item 7(a) and 7(b) would be
54 swapped.
55

56 **On a motion duly made by Ms. Matthews, seconded by Ms. Heaton, it was**

57
58 **RESOLVED to approve the meeting agenda for June 16, 2021, as**
59 **amended.**

60
61 **All in favor; Motion passed**

62
63 Statements of Conflicts of Interest – 1(c)

64 There were no conflicts of interests.

65
66
67 **Agenda Item 2 – Public Comments**

68 Mae Hayes, Associate Broker with Signature Real Estate Alaska – Mat-Su Realty &
69 Appraisal and licensed real estate appraiser serving on the Board of Appraisers, gave
70 public comment on an issue she has seen in the industry regarding real estate licensees
71 excluding appraisers in their contracts without just cause to do so. Ms. Hayes explained
72 it's especially problematic in smaller areas, where there are already a limited number of
73 appraisers that can even complete an appraisal for that area. Ms. Hayes wanted to know if
74 there was anything the Commission could do to inform/educate licensees that this is not
75 good practice if the only reason these appraisers are being excluded is because previous
76 appraisals have not come in at or above sale prices.

77
78 Ms. Markwood stated that was an interesting topic, and asked if any of the Commission
79 members had any insight to provide. Ms. Heaton stated she has never seen an appraiser
80 being excluded in a contract. She has seen inspection addendums where certain home
81 inspectors were crossed off, but nothing like that for appraisers. She explained she had a
82 situation a couple of years ago where a seller wanted to exclude an appraiser because
83 values were all over the place, and the lender indicated that the seller/licensee did not
84 have the right to exclude appraisers. The lender further stated that if there was sufficient
85 documentation and reasoning to support excluding an appraiser, the lender could do that
86 on their end. Ms. Heaton stated that if licensees are excluding appraisers in their
87 contracts, she is not seeing it in the Southeast area. Ms. Matthews stated she doesn't
88 have the experience from the industry side of things; however, she doesn't think this is
89 something that licensees should be able to do. Ms. Matthews further stated this issue is
90 something that should be addressed through best practices, as she isn't sure there is
91 anything within the Commission's statutes and regulations to address the problem.

92
93 Ms. Hayes stated she's just looking to advise brokers that this isn't a good practice. She's
94 not looking to change anything or take away someone's right to exclude an appraiser;
95 however, when it's being used as a method to get a specific appraiser, that's when there's
96 an issue. Ms. Hayes then brought up appraisers through the VA, and that there are only a
97 handful of approved VA appraisers. If a licensee excluded appraisers for a VA loan, it
98 significantly limits who can do that appraisal. Ms. Hayes explained that a lot of times
99 lenders won't allow licensees to exclude appraisers; however, because there's not
100 anything stating they can't exclude appraisers, sometimes that method works. Ms. Hayes
101 stated she is collaborating with an approved appraiser instructor and real estate instructor
102 on developing a course that explains to licensees how appraisals work. Ms. Hayes feels
103 the lack of understanding and education on this topic may be a part of why this issue is
104 occurring. Ms. Hayes believes that if licensees understood how a value opinion was put
105 together, maybe there would be less turmoil between the two industries. Ms. Hayes
106 mentioned that there are around 400 approved classes for licensees to take for continuing
107 education credits, and only one mentioned the word appraisal in the title. Less than ten of
108 the courses had any information on how mortgages work. There were a ton of courses on
109 titles and easements – and while this information is important, Ms. Hayes feels it's more

110 important for the consumer that licensees are educated on and understand the history of
111 mortgages and why it's important to keep appraisals healthy. Ms. Hayes would like to see
112 more classes offered regarding this topic, and would love to see a course like this be
113 considered as a designated course verses an elective course.
114

115 Ms. Heaton commented that it might be beneficial for Ms. Hayes to put together a
116 presentation on this topic to present at the Realtors Annual Convention. Ms. Consalo also
117 informed Ms. Hayes that the local Realtor Associations is another good avenue to present
118 this information, as they often ask for guest speakers to come to their meetings to provide
119 information and training.
120

121 Ms. Markwood thanked Ms. Hayes for bringing this information to the Commission's
122 attention, and explained that even though the Commission may not jurisdictionally be able
123 to do anything about the problem, it's something that should be on the Commission's radar
124 and addressed through education. Ms. Markwood agreed with Ms. Hayes regarding new
125 licensee training, and the topics of mortgage history and appraisals not being taught, and
126 there being a need in the industry for that. Ms. Markwood encouraged Ms. Hayes to
127 continue working on the education course, and come back to the Commission to provide
128 updates on her progress.
129

130 Errol Champion commented on the issue Ms. Hayes brought up, and stated in 2005/2006,
131 the Consumer Financial Protection Board developed the new settlement statement and all
132 the criteria that mortgages and lenders must follow for appraisals. It's federal regulation on
133 how lenders and mortgage brokers secure appraisals. Mr. Champion expressed that he's
134 appalled if licensees are excluding appraisers in a contract because they would be in
135 violation of federal regulations.
136

137 Ms. Markwood asked if there were any more public comments. No one came forward and
138 the public comment period was closed.
139

140

141 **Agenda Item 3 - Approval of Meeting Minutes**

142 March 17, 2021 Meeting Minutes – 3(a)

143

144 **On a motion duly made by Ms. Matthews, seconded by Ms. Heaton, it was**

145

146 **RESOLVED to approve the March 17, 2021 meeting minutes.**

147

148 **All in favor; Motion passed.**

149

150

151 **Agenda Item 4 – Investigative Report**

152 Probation Report – 4(a)

153 Michele Hearn, REC Probation Monitor, presented the probation report to the
154 Commission. There is 1 licensee on probation. The licensee on probation is currently in
155 compliance, and is due to be released from probation on June 17, 2021.
156

157 Statistical Report – 4(b)

158 Erika Prieksat, Senior Investigator, presented the investigation statistics for the reporting
159 period of March 3, 2021 through June 2, 2021. There are 33 open matters and 15 matters
160 were closed from the last report.
161

161

162 Ms. Markwood stated it was her understanding that the Commission lost their designated
163 investigator, and asked Investigator Prieksat if that was accurate. Investigator Prieksat

164 acknowledged that was correct, and stated they are actively recruiting for a new
165 investigator for the Commission. Currently, she is overseeing some real estate cases, and
166 the other cases have been disbursed to other investigators. She explained they are
167 working the cases as quickly as they can, and moving cases forward accordingly. Ms.
168 Markwood thanked Investigator Prieksat for the explanation, and just wanted to ensure
169 new cases coming in weren't being held back.

170
171 Investigative Training – 4(c)
172 Investigator Prieksat provided the Commission members with training on the investigative
173 process.

174
175 Ms. Heaton asked what information does the licensee get when they receive a Notice of
176 Complaint – do they know who filed the complaint or have the specifics of the complaint?
177 Investigator Prieksat explained the identity of the complainant is generally not released,
178 but a summary of the complaint is included in the notice. In order to get an appropriate
179 response from the licensee, they need to know what the complaint is about. An
180 investigator also typically contacts the licensee for a follow-up interview in addition to the
181 Notice of Complaint.

182
183 Frank Zellers, Broker with Real Broker, asked if the presentation was able to be shared,
184 stating it was a great slideshow. Investigator Prieksat indicated the information is public,
185 so it can be shared. Ms. Consalo informed Mr. Zellers that the slides are posted on the
186 Commission website in the meeting packet for today, and he could access the information
187 there.

188
189 The second half of the training regarding Board member reviews was not releasable to the
190 public, and was required to be conducted in Executive Session.

191
192 **On a motion duly made by Ms. Matthews, seconded by Ms. Schok, it was**

193
194 **RESOLVED to go into Executive Session per AS 44.62.310(c), for the**
195 **purpose of discussing matters which by law, municipal charter, or**
196 **ordinance are required to be confidential.**

197
198 **All in favor; Motion passed.**

199
200 The Commission went into Executive Session at 9:43 a.m.

201
202 **On a motion duly made by Ms. Matthews, seconded by Mr. Sumner, it was**

203
204 **RESOLVED to come out of Executive Session.**

205
206 The Commission came out of Executive Session at 10:03 a.m.

207
208
209 Break at 10:04 a.m.
210 Reconvene at 10:15 a.m.

211
212
213 **Agenda Item 5 – Division Update**
214 **REC Revenues and Expenditures Report – 5(a)**
215 Sharon Walsh, Deputy Director of the Division of Corporations, Business, and Professional
216 Licensing, presented the Division Update.

217

218 Ms. Walsh presented the report for the third quarter of 2021, ending March 31, 2021. She
219 stated the current revenue was \$249,280. Expenditures totals were as follows: There were
220 non-investigative expenditures of \$83,398 and investigative expenditures of \$109,322, for
221 a total of \$192,720 in direct expenditures. There were indirect expenditures of \$125,384
222 (this includes internal administration, department, and statewide costs), leaving the total
223 expenditures at \$318,104. There was a total surplus of \$978,238.

224

225 New Board Member Training – 5(b)

226 Ms. Walsh provided the Commission members with new Board member training. Ms.
227 Walsh indicated she would be doing an overview of the main topics that are important for
228 Board members to know, and there would be a more in-depth training in the fall with
229 Director Sara Chambers and all Board members, as there has been a change in personnel
230 for many Boards. Ms. Walsh discussed the fundamental concepts of transparency,
231 discretion, and fairness; what constitutes a meeting/the Open Meetings Act; ex-parte'
232 communication; executive session; confidentiality; the regulation process; conflicts of
233 interest; and voting.

234

235 Ms. Markwood asked for some clarity on the Open Meetings Act regarding the discussion
236 of Board business outside of a meeting with another Commission member. She wanted to
237 know if it was acceptable to collaborate with another Commission member on a project
238 when it hasn't been deliberated at a publicly noticed meeting yet. Ms. Walsh clarified that
239 was okay, as long as the collaboration is with less than three Commission members.
240 Anything that requires collaboration with three or more Commission members, should be
241 sent to Commission staff for distribution, or there must be a publicly noticed meeting.

242

243 Ms. Heaton asked for some clarity on ex-parte' communication and if someone
244 approaches her for advice on a complaint. She stated that in the short amount of time
245 she's been on the Commission, it seems these situations have come up a few times, and
246 she wanted assistance on how to proceed in those situations. Ms. Walsh explained that if
247 there's a potential it could come before the Commission for consideration or deliberation –
248 and 90% of the time there's potential – then she needs to just state that because she is
249 now a voting member of the Commission, she is not able to engage in the conversation
250 and refer that individual to either Commission staff or the Investigations team.

251

252

253 **Agenda Item 6 – Committee Reports**

254 Property Management Committee – 6(a)

255 Ms. Taggart, Chair of the Property Management Committee, stated the Committee was
256 looking for two approvals from the Commission. Ms. Taggart presented the following
257 documents to the Commission for approval:

258

259

1. Best Practice: Security Deposits, Dues Deposits, Pre-Paid Rents & Reserves
2. Mission Statement & 2021 Priorities

260

261 Ms. Markwood commented that she attended the last Committee meeting, and it was a
262 very informative and productive meeting. Ms. Markwood explained that this Committee
263 provides an opportunity for individuals involved or interested in the property management
264 side of real estate to get together, collaborate, and talk about issues the industry is having
265 and how to address them. Ms. Markwood thanked Ms. Taggart for her continued hard
266 work on this Committee.

267

268

269

270

271

272 **On a motion duly made by Ms. Heaton, seconded by Mr. Sumner, it was**

273

274 **RESOLVED to adopt the Property Management Committee’s best**
275 **practices for security deposits, dues deposits, pre-paid rents &**
276 **reserves to be published on the REC website, as presented.**

277

278 **All in favor; Motion passed.**

279

280 **On a motion duly made by Ms. Heaton, seconded by Ms. Matthews, it was**

281

282 **RESOLVED to adopt the Property Management Committee’s Mission**
283 **Statement & 2021 Priorities to be published on the REC website, as**
284 **presented.**

285

286 **All in favor; Motion passed.**

287

288 Ms. Markwood asked if the Committee’s next meeting date had been decided. Ms.
289 Consalo stated the next Committee meeting is scheduled for the third Thursday in
290 October, which she believes is October 21, 2021. Ms. Consalo also reminded the
291 Commission members that only two Commission members can attend the Committee
292 meeting, and Ms. Heaton is the designated Committee Liaison, so they need to be aware
293 of the possibility of not being able to attend if too many Commission members express
294 interest in attending. Ms. Markwood advised that if any of the Commission members were
295 interested in attending a Committee meeting, to reach out to Commission staff in advance,
296 so it can be worked out who can and cannot attend, before the day of the meeting.

297

298

299 **Agenda Item 7 – Old Business**

300 Regulation Revisions – Consider Comments/Adoption – 7(a)

301 Mr. Maiquis explained that the proposed regulations that were approved to go out for
302 public comment at the Commission’s last meeting received questions/comments from two
303 licensees, one of which was addressed by Ms. Consalo. Mr. Maiquis stated the proposed
304 regulations were now ready for deliberation and action.

305

306 Ms. Consalo explained the specific regulation that would need an amendment based on
307 the public comment received, and being unable to email an original document. Ms.
308 Consalo also stated the Commission could make an additional amendment to that same
309 regulation to add the acceptance of signing the license either digitally or non-digitally,
310 based on another public comment received. Ms. Consalo explained the Commission did
311 already vote to accept digital signatures on Commission paperwork, as a generally policy,
312 at the beginning of the COVID-19 disaster declaration, so adding that language wasn’t
313 particularly necessary, but it has been added in other areas of the regulations that address
314 signatures. There was some discussion on the topic, but it was ultimately decided to just
315 make the one amendment. Ms. Consalo asked if there were any questions about the
316 responses she provided regarding the other questions received via public comment. There
317 were no additional comments or questions from the Commission members on the
318 regulation revisions.

319

320 **On a motion duly made by Ms. Schok, seconded by Ms. Matthews, it was**

321

322 **RESOLVED to adopt, in consideration of public comment received**
323 **and as public noticed, the proposed regulation changes for 12 AAC**
324 **64.010, .040, .059, .060, .071, .077, .130, .135, .140, .430, .440, and .990.**

325

326 **Roll call vote: Ms. Schok – yes, Ms. Heaton – yes, Ms. Matthews – yes, Mr.**
327 **Sumner – yes, and Ms. Markwood – yes.**

328
329 **Motion passed.**

330
331 **On a motion duly made by Ms. Matthews, seconded by Mr. Sumner, it was**
332
333 **RESOLVED to amend, in consideration of public comment received,**
334 **the regulation change for 12 AAC 64.075 by removing the words “the**
335 **original” from the proposed language.**

336
337 **Roll call vote: Ms. Schok – yes, Ms. Heaton – yes, Ms. Matthews – yes, Mr.**
338 **Sumner – yes, and Ms. Markwood – yes.**

339
340 **Motion passed.**

341
342 **On a motion duly made by Ms. Matthews, seconded by Mr. Sumner, it was**
343
344 **RESOLVED to adopt, in consideration of public comment received**
345 **and as amended, the proposed regulation change for 12 AAC 64.075.**

346
347 **Roll call vote: Ms. Schok – yes, Ms. Heaton – yes, Ms. Matthews – yes, Mr.**
348 **Sumner – yes, and Ms. Markwood – yes.**

349
350 **Motion passed.**

351
352
353 Break at 11:30
354 Reconvene at 11:43

355
356
357 2021 Strategic Plan Review – 7(b)
358 Ms. Markwood explained the Commission will have this item on every meeting agenda, so
359 everyone is on the same page as far as progress in the completion of items on the
360 Strategic Plan. It helps keep the Commission on track with their goals and tasks. Ms.
361 Markwood discussed the updates provided in red regarding the Property Management
362 Committee, the regulation revisions, and the draft Property Transfer Disclosure Statement,
363 all of which were/will be addressed at this meeting. Ms. Consalo added that the
364 Commission was doing a great job in keeping on track with the Strategic Plan and moving
365 forward on several items quickly.

366
367 AREC Property Transfer Disclosure Form Re-Write – 7(c)
368 Ms. Markwood stated this was a project the Commission started a couple of years ago. A
369 lot of information was gathered by previous Commission members, and the project was
370 given to her just before those Commission members' terms of service ended. Ms.
371 Markwood stated the changes to this form would require a regulation change to adjust the
372 new form date referenced in our regulations. The Commission also must ensure that any
373 changes made to this form are consistent with Alaska statutes. Ms. Markwood opened the
374 floor to the Commission members for discussion.

375
376 Several changes were recommended by adding additional items in the Property Features
377 section and having those items alphabetized; removing the language “Built-In” on a couple
378 of the items in the Property Features section; adding more clarity to the Property Features
379 section regarding items already having been repaired/replaced verses items still needing

380 repair; and adding an additional checkbox option of N/A to the Additional Information
381 section.

382
383 Ms. Heaton asked if it were possible to divide the Property Transfer Disclosure Statement
384 so that the waiver and exemption pages are not on the same form, as there is often
385 confusion if those aren't taken out before presenting the form to the seller to complete.
386 She was wondering what it would take to have these documents be three separate forms.
387 Ms. Consalo explained that would require additional changes to the regulation to list out all
388 the forms individually. Additionally, if these forms are referenced as a part of the Property
389 Transfer Disclosure Statement in the statute, that would require a legislation project to
390 change that statute, which would have to occur before any regulation change could occur.

391
392 **On a motion duly made by Ms. Schok, seconded by Mr. Sumner, it was**

393
394 **RESOLVED to approve, as amended, the proposed draft regulation**
395 **change for the Residential Real Property Transfer Disclosure**
396 **Statement form, as referenced in 12 AAC 64.930, to go out for public**
397 **comment.**

398
399 **Roll call vote: Ms. Schok – yes, Ms. Heaton – yes, Ms. Matthews – yes, Mr.**
400 **Sumner – yes, and Ms. Markwood – yes.**

401
402 **Motion passed.**

403
404 The Commission decided to allow for written public comment only, and should there be a
405 need to allow for oral public comment, they will re-asses as needed.

406
407
408 **Agenda Item 8 – New Business**

409 **Annual Report – 8(a)**

410 Ms. Markwood thanked Ms. Consalo for all the hard work she put into drafting the Annual
411 Report, and articulating the Commission's accomplishments, goals, and projects so well.
412 Ms. Markwood explained that this report is reviewed by the Governor and Legislature, and
413 it gives them an overview of what the Commission has accomplished over the previous
414 year, and what goals the Commission has for the upcoming year.

415
416 **On a motion duly made by Mr. Sumner, seconded by Ms. Heaton, it was**

417
418 **RESOLVED to approve the 2021 Annual Report, as presented.**

419
420 **Roll call vote: Ms. Schok – yes, Ms. Heaton – yes, Ms. Matthews – yes, Mr.**
421 **Sumner – yes, and Ms. Markwood – yes.**

422
423 **Motion passed.**

424
425
426 **Agenda Item 9 – Executive Administrator's Report**

427 **Education Statistics – 9(a)**

428 Ms. Consalo presented the education report for June 16, 2021. She reported that as of
429 June 2, 2021, there were 13 pre-licensing courses; 4 broker upgrade courses; 357 elective
430 courses; 59 designated courses; and 72 post-licensing courses approved, with a total of
431 505 courses approved. Ms. Consalo stated there are currently 73 approved instructors.

432
433

434 Licensing Statistics – 9(b)

435 Ms. Consalo presented the licensing report for June 16, 2021. She reported that as of
436 June 2, 2021, there were 121 new licenses issued; 2,900 active licensees; 9 inactive
437 licensees; 481 lapsed licenses with 1 of those for non-compliance of PLE; 213 transfers;
438 60 licensees who completed their PLE requirements; 11 license upgrades from
439 salesperson to associate broker; 2 license upgrades from salesperson to broker; and 1
440 licensee on probation.

441

442 RISC E&O Claims Report – 9(c)

443 Ms. Consalo presented the report for RISC E&O claims for their first quarter (Jan - Mar).
444 Total closed claims were \$3,000, and the total open claims were \$32,002, for a total of
445 \$35,002 in claims for the first quarter. All of these claims were the same claims/cases
446 reported in the fourth quarter report; however, there was an additional claim reported since
447 the last report that has not incurred any loss amounts yet.

448

449 Recovery Fund Balance Report – 9(d)

450 Ms. Consalo presented the Recovery Fund Report for the third quarter, ending March 31,
451 2021. The Commission received a total of \$14,504 for license fees processed between
452 January and March, leaving the current total fund balance at \$277,201. The projected
453 balance for the end of the fiscal year is \$238,217 with an average 2-year licensing cycle
454 fund balance of \$288,392.

455

456 Ms. Consalo mentioned that the Commission must maintain a recovery balance of no less
457 than \$250,000 and no more than \$500,000. The Commission is very close to the lower
458 end of the spectrum, so at the next meeting, they will need to look at possibly increasing
459 the recovery fund fee to ensure the recovery fund balance is within the acceptable
460 statutory limits. Ms. Markwood thanked Ms. Consalo for mentioning that, and explained
461 that it is going to be very important for Commission members to attend and participate in
462 the discussion at the next meeting about fee changes, in anticipation of the upcoming
463 renewal. Ms. Consalo stated our finance staff will have a fee analysis prepared for review
464 with the Commission, to help aid in making the appropriate changes to any fees.

465

466

467 **Agenda Item 10 – Commission Member Comments & Questions**

468 Mr. Sumner thanked everyone for the good work they've been doing. Ms. Markwood
469 thanked Mr. Sumner for serving as a public member on the Commission, and commended
470 him on the impressive work he's been doing in the area with his business.

471

472 Ms. Matthews thanked the staff and Commission members involved in all the hard work it
473 took to push the regulation changes forward – it's nice to see projects that have been
474 worked on for a while moving forward and being completed. Ms. Matthews thanked Ms.
475 Consalo for all the work she does, even when she stretched thin – she appreciates the
476 good meetings that occur.

477

478 Ms. Heaton expressed the same sentiments as Ms. Matthews, and stated it's great to see
479 the regulation changes move forward. She also thanked the Commission members and
480 Ms. Consalo for all the work they've done so far – she's still new to this and learning, so
481 she appreciates everyone's efforts.

482

483 Ms. Schok stated she's thrilled to be here with everyone, and appreciates all the hard work
484 that goes into everything.

485

486 Ms. Markwood thanked everyone in attendance, and thanked Chad Stigen for attending
487 the meeting, and absorbing the information in anticipation of starting his service with the

488 Commission on June 27, 2021. She thanked Commission staff for their hard work in
489 moving items forward. The regulation change was a huge project over the last couple
490 years, and she appreciates the Commission moving that item forward today. She thanked
491 everyone for their participation in the discussion of changes to the Property Transfer
492 Disclosure Statement, and thanked Ms. Taggart for her continuous work on the Property
493 Management Committee. She further thanked Ms. Consalo for being the backbone of the
494 Commission, and all the hard work and dedication she commits to the Commission,
495 despite her being pulled in other directions due to staffing shortages with the State. She
496 stated she's honored to serve as the Commission Chair, and honored to serve on the
497 Commission with everyone.

498
499

500 **Agenda Item 11 – Adjournment**

501

502 **On a motion duly made by Mr. Sumner, seconded by Ms. Schok, it was**

503

504 **RESOLVED to adjourn.**

505

506 **All in favor; Motion passed.**

507

508 Meeting adjourned at 12:37 p.m.

509

510 The next meeting will be held September 15, 2021 in Anchorage.

511

512

513

514

515

Prepared and submitted by:
Real Estate Commission Staff

516

517

518

Approved:

519

520

521

522

Cheryl Markwood
REC Chairperson
Alaska Real Estate Commission

523

524

Investigative Report



MEMORANDUM

DATE: September 01, 2021
TO: Real Estate Commission
THRU: Greg Francois, Chief Investigator
FROM: Erika Prieksat, Investigator *EP*
RE: Investigative Report for the September 15, 2021 Meeting

The following information was compiled as an investigative report to the Board for the period of June 03, 2021 thru September 01, 2021; this report includes cases, complaints, and intake matters handled since the last report.

Matters opened by the Paralegals in Anchorage and Juneau, regarding continuing education audits and license action resulting from those matters are covered in this report.

OPEN - 48

<u>Case Number</u>	<u>Violation Type</u>	<u>Case Status</u>	<u>Status Date</u>
REAL ESTATE ASSOCIATE BROKER			
2021-000647	Violation of licensing regulation	Intake	07/26/2021
2021-000700	Unethical conduct	Intake	08/11/2021
2021-000022	Violation of licensing regulation	Complaint	02/10/2021
2021-000107	Unethical conduct	Complaint	02/16/2021
2021-000231	Advertising	Complaint	03/12/2021
2021-000238	Fraud or misrepresentation	Complaint	04/05/2021
2021-000287	Violation of licensing regulation	Complaint	04/05/2021
2021-000465	Violation of licensing regulation	Complaint	06/03/2021

REAL ESTATE BROKER

2021-000666	Violation of licensing regulation	Intake	08/02/2021
2021-000746	Unprofessional conduct	Intake	08/19/2021
2021-000772	Violation of licensing regulation	Intake	08/26/2021
2020-000535	Fraud or misrepresentation	Complaint	01/26/2021
2021-000185	Violation of licensing regulation	Complaint	03/12/2021
2021-000264	Unlicensed practice or activity	Complaint	05/13/2021
2021-000267	Violation of licensing regulation	Complaint	04/26/2021
2021-000286	Violation of licensing regulation	Complaint	04/01/2021
2021-000498	Violation of licensing regulation	Complaint	07/12/2021
2021-000576	Unprofessional conduct	Complaint	07/15/2021
2016-000807	Fraud or misrepresentation	Monitor	07/01/2020
2016-000949	Fraud or misrepresentation	Monitor	07/01/2020
2017-000602	Fraud or misrepresentation	Monitor	07/01/2020
2020-000224	Criminal action - no conviction	Monitor	
2020-000078	Supervision	Investigation	06/11/2020

REAL ESTATE SALESPERSON

2021-000681	Violation of licensing regulation	Intake	08/10/2021
2021-000703	Unlicensed practice or activity	Intake	08/11/2021
2021-000727	Fraud or misrepresentation	Intake	08/12/2021
2021-000757	Violation of licensing regulation	Intake	08/24/2021
2021-000059	Unlicensed practice or activity	Complaint	02/17/2021
2021-000106	Unethical conduct	Complaint	02/16/2021
2021-000138	Unlicensed practice or activity	Complaint	02/24/2021
2021-000139	Unlicensed practice or activity	Complaint	02/24/2021
2021-000183	Violation of licensing regulation	Complaint	04/01/2021
2021-000184	Violation of licensing regulation	Complaint	04/05/2021
2021-000211	Incompetence	Complaint	04/14/2021
2021-000269	License application problem	Complaint	07/21/2021
2021-000273	Falsified application	Complaint	05/10/2021
2021-000313	Fraud or misrepresentation	Complaint	04/22/2021

2021-000393	Violation of licensing regulation	Complaint	05/11/2021
2021-000448	Violation of licensing regulation	Complaint	06/02/2021
2021-000519	Fraud or misrepresentation	Complaint	06/21/2021
2021-000620	Violation of licensing regulation	Complaint	07/19/2021
2021-000635	Real estate - other	Complaint	08/23/2021
2021-000762	Violation of licensing regulation	Complaint	08/27/2021
2020-000015	Fraud or misrepresentation	Investigation	06/15/2020
2020-000077	Fraud or misrepresentation	Investigation	06/11/2020
2020-000110	Advertising	Investigation	05/06/2020
2020-000132	Fraud or misrepresentation	Investigation	12/04/2020
2020-001020	Fraud or misrepresentation	Investigation	02/03/2021

Closed - 6

<u>Case #</u>	<u>Violation Type</u>	<u>Case Status</u>	<u>Closed</u>	<u>Closure</u>
REAL ESTATE ASSOCIATE BROKER				
2021-000626	Violation of licensing regulation	Closed-Intake	08/23/2021	Incomplete Complaint
REAL ESTATE BROKER				
2021-000463	Violation of licensing regulation	Closed-Intake	07/06/2021	Incomplete Complaint
2021-000596	Unlicensed practice or activity	Closed-Intake	08/16/2021	Incomplete Complaint
REAL ESTATE SALESPERSON				
2021-000555	Violation of licensing regulation	Closed-Intake	08/09/2021	Incomplete Complaint
2021-000773	License application problem	Closed-Intake	08/30/2021	Review Complete
2019-001263	Unlicensed practice or activity	Closed-Investigation	08/27/2021	Cease and Desist Order

PROBATION REPORT:

NAME	CASE NUMBER	PROBATION	PROBATION END
Carrie Parvin	2020-000644	START 06/17/2020	06/17/2021

END OF REPORT

Division Update

Fee Analysis

Real Estate Commission (REC)

Analysis last updated: 9/6/2021
 Renewal deadline: 1/31/2022
 Presented to board: 9/15/2021

REC Fee Type	Current fee schedule			Proposed by board				Proposed by division				Adjustments			In System 02.01.2019 to 01.31.2021	
	Current Fee	Projected Units	Projected Revenue	Fee Adjustment	Fee with Recommended Adjustment	Projected Revenue after Adjustment	% Change	Fee Adjustment	Fee with Recommended Adjustment	Projected Revenue after Adjustment	% Change	Fee Adjustment for Estimated Prorated Renewals	Projected Units**	Projected Revenue Loss		
Application Fee	\$ 200	498	\$ 99,600		\$ 200	\$ 99,600	0%		\$ 200	\$ 99,600	0%				Application Fee	498
New Associate Broker	140	6	840		140	840	0%		140	840	0%	(70)	1	(70)	New Associate Broker	6
Renewed Associate Broker	140	369	51,660		140	51,660	0%		140	51,660	0%				Renewed Associate Broker	363
New Broker	140	14	1,960		140	1,960	0%		140	1,960	0%	(70)	1	(70)	New Broker	14
Renewed Broker	140	407	56,980		140	56,980	0%		140	56,980	0%				Renewed Broker	393
New Real Estate Salesperson	140	478	66,920		140	66,920	0%		140	66,920	0%	(70)	72	(5,040)	New Real Estate Salesperson	478
Renewed Real Estate Salesperson	140	1,840	257,600		140	257,600	0%		140	257,600	0%				Renewed Real Estate Salesperson	1362
Initial Office Registration	200	63	12,600		200	12,600	0%		200	12,600	0%				Initial Office Registration	63
Office Changes Fee	120	150	18,000		120	18,000	0%		120	18,000	0%				Office Changes Fee	150
Transfer Fee, Per License	225	750	168,750		225	168,750	0%		225	168,750	0%				Transfer Fee, Per License	750
License Inactivation/Reactivation	150	93	13,950		150	13,950	0%		150	13,950	0%				License Inactivation/Reactivation	93
Reinstatement for Lapsed License	225	70	15,750		225	15,750	0%		225	15,750	0%				Reinstatement for Lapsed License	70
Duplicate License	20	6	120		20	120	0%		20	120	0%				Duplicate License	6
Name Change Fee	75	25	1,875		75	1,875	0%		75	1,875	0%				Name Change Fee	25
Estimated Centralized Fees	9,009	1	9,009		9,009	9,009	0%		9,009	9,009	0%					
			\$ 775,614			\$ 775,614				\$ 775,614						
																\$ (5,180)

Calculating Projected Units

- New: PY new applications
- Renewal: PY renewed + PY new
- Temporary: PY temporary
- Courtesy: PY courtesy
- Initial: PY new applications
- Centralized: PY revenue x .01
- Inactive: Equals PY inactive

Beginning Cumulative Surplus must be from FY2019

	CALCULATIONS BASED ON CURRENT FEES				
	FY2017/2018 Actuals	FY2019/2020 Actuals	Projected FY2021/2022	Projected FY2023/2024	Projected FY2025/2026
Revenues and Expenditures					
Revenue	1,064,036	900,904	775,614	775,614	775,614
Expenses	(846,891)	(766,550)			
Adjustments					
Expenses adjusted for 2% biennial increase			(781,881)	(797,519)	(813,469)
Fee adjustment for pro-rated renewal			(5,180)	(5,180)	(5,180)
Projected Net		134,354	(11,447)	(27,085)	(43,035)
Beginning Cumulative Surplus (Deficit)		912,708	1,047,062	1,035,615	1,008,530
Ending Cumulative Surplus (Deficit)		1,047,062	1,035,615	1,008,530	965,496

	CALCULATIONS BASED ON BOARD'S PROPOSAL			
	FY2019/2020 Actuals	Projected FY2021/2022	Projected FY2023/2024	Projected FY2025/2026
Revenue	900,904	775,614	775,614	775,614
Expenses	(766,550)			
Adjustments				
Expenses adjusted for 2% biennial increase		(781,881)	(797,519)	(813,469)
Fee adjustment for pro-rated renewal		(5,180)	(5,180)	(5,180)
Projected Net	134,354	(11,447)	(27,085)	(43,035)
Beginning Cumulative Surplus (Deficit)	912,708	1,047,062	1,035,615	1,008,530
Ending Cumulative Surplus (Deficit)	1,047,062	1,035,615	1,008,530	965,496

	CALCULATIONS BASED ON DIVISION'S PROPOSAL			
	FY2019/2020 Actuals	Projected FY2021/2022	Projected FY2023/2024	Projected FY2025/2026
Revenue	900,904	775,614	775,614	775,614
Expenses	(766,550)			
Adjustments				
Expenses adjusted for 2% biennial increase		(781,881)	(797,519)	(813,469)
Fee adjustment for pro-rated renewal		(5,180)	(5,180)	(5,180)
Projected Net	134,354	(11,447)	(27,085)	(43,035)
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Ending Cumulative Surplus (Deficit)	1,047,062	1,035,615	1,008,530	965,496

32nd Legislature (2021-2022)
 Alaska Admin Code
 12 AAC 02.360

SEARCH Display

12 AAC 02.360. Real Estate Commission

- (a) The following fees are established for real estate salespersons, associate brokers, and brokers:
- license fee, for all or part of the initial biennial license period, whether licensure is by examination or endorsement, \$140;
 - biennial license renewal fee for both active and inactive licenses, \$140;
 - fee for office changes, including change of broker and company name, \$120 for each license;
 - transfer of license fee, \$225;
 - application fee for initial license, \$200;
 - initial office registration fee, \$200;
 - license inactivation or reactivation fee, \$150;
 - duplicate license fee, \$20;
 - name change fee, \$75;
 - post-license education certification and new license document fee, \$50;
 - reinstatement fee for a lapsed license, \$225.

(b) The following fees are established for real estate education course certification and instructor approval:

- initial course certification fee, \$50 per credit hour;
- biennial course recertification fee, \$30 per credit hour;
- instructor approval fee, \$200 per instructor;
- temporary instructor approval fee, \$250 per instructor;
- instructor approval recertification fee, \$100.

(c) The following fees are established for publications offered by the Real Estate Commission:

- information pamphlet on landlord and tenant rights, \$5;
- repealed 12/2/2005.

Real Estate Recovery Fund (ZSU)

Analysis last updated: 9/6/2021

Renewal Deadline: 1/31/2022

Presented to board: 9/15/2021

Recovery Fund Fee 12 AAC 64.073	Current fee schedule			Proposed by board				Proposed by division			
	Current Fee	Projected Units	Projected Revenue	Fee Adjustment	Fee with Recommended Adjustment	Projected Revenue after Adjustment	% Change	Fee Adjustment	Fee with Recommended Adjustment	Projected Revenue after Adjustment	% Change
New Associate Broker	50	6	300		50	300	0%		50	300	0%
Renewed Associate Broker	50	369	18,450		50	18,450	0%		50	18,450	0%
New Broker	50	14	700		50	700	0%		50	700	0%
Renewed Broker	50	407	20,350		50	20,350	0%		50	20,350	0%
New Real Estate Salesperson	50	478	23,900		50	23,900	0%		50	23,900	0%
Renewed Real Estate Salesperson	50	1,840	92,000		50	92,000	0%		50	92,000	0%
License Inactivation/Reactivation	50	93	4,650		50	4,650	0%		50	4,650	0%
Reinstatement for Lapsed License	50	93	4,650		50	4,650	0%		50	4,650	0%
Post-licensing education certification & new license document fee	50	496	24,800		50	24,800	0%		50	24,800	0%
Initial course certification fee per credit hour	50	500	25,000		50	25,000	0%		50	25,000	0%
Biennial course recertification fee per credit hour	30	1,448	43,440		30	43,440	0%		30	43,440	0%
Instructor approval fee per instructor	200	22	4,400		200	4,400	0%		200	4,400	0%
Temporary instructor approval fee	250	2	500		250	500	0%		250	500	0%
Instructor approval recertification fee	100	69	6,900		100	6,900	0%		100	6,900	0%
			\$ 270,040			\$ 270,040				\$ 270,040	

In System 02.01.2019 to 01.31.2021

Calculating Projected Units
 New: PY new applications
 Renewal: PY renewed + PY new
 Temporary: PY temporary
 Courtesy: PY courtesy
 Initial: PY new applications
 Centralized: PY revenue x .01
 Inactive: Equals PY inactive

Revenues and Expenditures	CALCULATIONS BASED ON CURRENT FEES				
	FY2017/2018 Actuals	FY2019/2020 Actuals	Projected FY2021/2022	Projected FY2023/2024	Projected FY2025/2026
Revenue	179,328	240,212	270,040	270,040	270,040
Expenses	(250,583)	(306,876)			
Adjustments			(283,680)	(289,354)	(295,141)
<i>Expenses adjusted for 2% biennial increase</i>					
Projected Net		(66,664)	(13,640)	(19,314)	(25,101)
Beginning Fund Balance		394,514	327,850	314,210	294,896
Ending Cumulative Surplus (Deficit)		327,850	314,210	294,896	269,796

CALCULATIONS BASED ON BOARD'S PROPOSAL				
FY2019/2020 Actuals	Projected FY2021/2022	Projected FY2023/2024	Projected FY2025/2026	
240,212	270,040	270,040	270,040	
(306,876)				
	(283,680)	(289,354)	(295,141)	
(66,664)	(13,640)	(19,314)	(25,101)	
394,514	327,850	314,210	294,896	
327,850	314,210	294,896	269,796	

CALCULATIONS BASED ON DIVISION'S PROPOSAL				
FY2019/2020 Actuals	Projected FY2021/2022	Projected FY2023/2024	Projected FY2025/2026	
240,212	270,040	270,040	270,040	
(306,876)				
	(283,680)	(289,354)	(295,141)	
(66,664)	(13,640)	(19,314)	(25,101)	
394,514	327,850	314,210	294,896	
327,850	314,210	294,896	269,796	

32nd Legislature (2021-2022)

Alaska Admin Code

12 AAC 64.073

12 AAC 64.073. Recovery fund fee

In addition to the required license or renewal fee, an applicant for licensure or for renewal of a license issued under AS 08.88 shall submit with the application a fee for the recovery fund established under AS 08.88.455 in the amount of \$50.

SEARCH Display

Division of Corporations, Business and Professional Licensing
Professional Licensing Fees Changes FY06 - FY21
(as of September 30, 2020)

REC	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
	<u>Eff. 12/2/05</u>				<u>Eff. 1/1/10</u>	<u>Eff. 5/28/11</u>	<u>Eff. 1/8/12</u>		<u>Eff. 11/30/13</u>		<u>Eff. 10/24/15</u>		<u>Eff. 12/8/17</u>		<u>Eff. 11/28/19</u>	
License	\$350	\$350	\$350	\$350	\$275	\$275	\$375	\$375	\$450	\$450	\$325	\$325	\$200	\$200	\$140	\$140
License Renewal	\$350	\$350	\$350	\$350	\$275	\$275	\$375	\$375	\$400	\$400	\$325	\$325	\$200	\$200	\$140	\$140
Office Changes	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$125	\$125	\$75	\$75	\$75	\$75	\$120	\$120
Transfer of License	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$225	\$225	\$225	\$225	\$225	\$225	\$225	\$225
Application	\$75	\$75	\$75	\$75	\$50	\$50	\$50	\$50	\$125	\$125	\$175	\$175	\$200	\$200	\$200	\$200
Initial Office Registration	\$125	\$125	\$125	\$125	\$100	\$100	\$100	\$100	\$300	\$300	\$225	\$225	\$225	\$225	\$200	\$200
Inactivation or Reactivation	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$125	\$125	\$125	\$125	\$150	\$150	\$150	\$150
Duplicate License	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$50	\$50	\$50	\$50	\$50	\$50	\$20	\$20
Name Change	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75
Initial Course Certification	\$30	\$30	\$30	\$30	\$30	\$60	\$60	\$60	\$30	\$30	\$30	\$30	\$30	\$30	\$50	\$50
Course Recertification	\$30	\$30	\$30	\$30	\$30	\$50	\$50	\$50	\$25	\$25	\$25	\$25	\$25	\$25	\$30	\$30
Instructor Approval	\$125	\$125	\$125	\$125	\$125	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200
Temporary Instructor Approval	\$50	\$50	\$50	\$50	\$50	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250
Instructor Approval Recert.	\$50	\$50	\$50	\$50	\$50	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Information Pamphlet	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5
	<u>Eff. 1/1/06</u>															
Post-License Education	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$50	\$50
							<u>Eff. 9/17/11</u>									
Reinstatement Lapsed License	n/a	n/a	n/a	n/a	n/a	n/a	\$250	\$250	\$250	\$250	\$250	\$250	\$275	\$275	\$225	\$225
					<u>Eff. 6/26/10</u>		<u>Eff. 12/7/11</u>		<u>Eff. 12/29/13</u>						<u>Eff. 11/28/19</u>	
Recovery Fund Fee	\$30	\$30	\$30	\$30	\$55	\$55	\$125	\$125	\$30	\$30	\$30	\$30	\$30	\$30	\$50	\$50

Old Business

Regulation Revisions – Status Update

Review Goals

ALASKA REAL ESTATE COMMISSION STRATEGIC PLAN 2021

The Commission recognizes we have a very small, yet extremely competent staff for the number of licensees we oversee, and to assist affected consumers. We have every confidence that our Executive Administrator Shyla Consalo, Project Assistant Nancy Harris, and the REC Investigator, will all support us in reaching our goals.

GUIDING PRINCIPLE	OBJECTIVE - how will we meet this guiding principle?	Who will complete this task?	Status/Notes
Protect the Consumer/Inform Licensees	<p>With agreement of the appropriate departments, upload informational videos done by appropriate personnel on:</p> <ul style="list-style-type: none"> How to file a complaint against a licensee & its process If a complaint is filed against a license what the process is for a license <p>Additionally, provide best practice "white papers" on various topics as approved by the Commission for placement on our website.</p>	Commissioners, Staff & Investigator	Goal to have recorded presentation done & submitted to Chief Investigator for review/approval by the next year's Strategic Planning meeting
Protect the Consumer/Inform Licensees	<p>Provide the Commission for consideration, what they should have jurisdiction over in property management, i.e., financial responsibilities of the property owner or property manager. Then, provide next steps should the Commission agree to move forward with recommendations. Provide a list of property management FAQ's (Frequently Asked Questions) for both licensed property managers & property owners, to be approved by the Commission then placed on our website. To include:</p> <ul style="list-style-type: none"> Best practices for security deposits & earnest money Potential for separate Property Management Consumer Disclosure & Waiver of Right to be Represented form Long-term goal to review the Landlord Tenant Act & look at changes in conjunction with the real estate industry Review and make recommendations to the property management regulations with regard to trust account and security deposit issues 	Property Management Committee of the Commission & Property Management Liaison, Commissioner Heaton	<p>Work in Progress – PM Committee continuing to develop best practices for REC consideration, several already approved & on website</p> <p style="color: red;">Next meeting in October to discuss & draft PM FAQs document</p>
Protect the Consumer/Inform Licensees	<p>Define minimum standards, based on what other jurisdictions have successfully implemented, for team advertising. To include:</p> <ul style="list-style-type: none"> Define requirements to include brokerage information, minimum size, etc. Review, make recommendations if necessary, and provide a draft Disclosure Statement regarding teams Review, make recommendations if necessary, and draft regulation changes 	Commissioners Schok & Heaton to provide information to staff	<p>Previous Commission completed a best practice document already approved & on website</p> <p>*Requires a regulation change</p>
Inform Licensees	<p>Assist staff to clear up the following issues:</p> <ul style="list-style-type: none"> How "inactive status" is logged/started & the notification to the affected licensee. Define & Verify how required education, for those who apply for license by endorsement. Define & Simplify the criteria for getting or upgrading a license. Sharing of Information 	Commissioner Markwood & Staff	
Protect the Consumer/Inform Licensees	Review all regulations & propose one major regulation change (clean up) which will bring regulations into the 21 st century.	Commissioners & Staff	Complete – DOL review complete & being sent to Lt. Gov for approval
Protect the Consumer	Review & revamp the State of Alaska Residential Real Property Transfer Disclosure Statement.	Commissioner Markwood	<p style="color: red;">Pending Reg Specialist Review</p> <p>* Requires a Regulation Change</p>
Commission Business/Inform Licensees	Review upcoming licensing renewal cycle fee adjustment, as to conform with the recovery fund balance.	Commissioners & Staff	<p style="color: red;">Discussion to Occur at September Meeting</p> <p>* Requires a Regulation Change</p>
Commission Business/Inform Licensees	Review and make recommendations regarding DCE Education Topics for the next renewal cycle.	Commissioners & Staff	Discussion to Occur at September Meeting

New Business

Request for New Committee

Elections

DCE Topics for 2022-2024 Renewal Cycle

HISTORY OF REC DESIGNATED CONTINUING EDUCATION (DCE)

2020-2022-w/guidelines

Broker Supervision and Management - 2 hours
Ethics - 2 hours
Prohibited Conduct - 2 hours
Advertising and Social Media - 2 hours

2018-2020-w/guidelines

Ethical Situations - 2 hours
Understanding and working with title reports, encroachments, and easements - 2 hours
Contract law as it pertains to documents used in real estate - 2 hours
Inspections and Disclosures - 2 hours

2016-2018- w/guidelines

Situational Ethics (*topics 1, 15, 16, 17, 19, 21, 30, 33*) - 2 hours
Contract Law (*topics 1, 6, 9, 14, 18, 22, 29, 33*) - 2 hours
Consumer Protection (to include TRiD) (*topics 6, 10, 15, 22, 27*) - 2 hours
Practical Licensee Relationship Disclosures (*topics 1, 6, 15, 16, 30, 38, 39, 41*) - 2 hours

2014-2016- w/guidelines

Landlord Tenant Act – Basics for all Licensees (*topics 1, 2, 6, 15, 20*) - 2 hours
Current Alaska Real Estate Legal and Ethical Issues (*topics 4, 9, 18, 25, 30, 33, 35*) - 2 hours
Contracts & Real Estate License Law (*topics 2, 6, 15, 25, 33*) - 2 hours
Consumer Protection (*topics 2, 4, 6, 9, 18, 24, 25, 30, 41*) - 2 hours

2012-2014- w/guidelines

Licensing Relationships (*topic 1*) - 2 hours
Property Disclosures & Inspections (*topic 19*) - 2 hours
Risk Management, (*topic 33*), and Real Estate License Law, (*topic 25*) - 2 hours
Contracts, (*topic 6*) and Customer Client Services, (*topic 35*) - 2 hours

2010-2012

Licensing Relationships (*topic 1*) – 2 hours
Prohibited Conduct (*topic 18*), and Real Estate License Law, (*topic 25*) - 2 hours
Property Disclosures & Inspections (*topic 19*) - 2 hours
Ethical Decision Making, (*topic 30*), and Risk Management, (*topic 33*) - 2 hours

2008-2010

Licensing Relationships (*topic 1*) - 2 hours
Prohibited Conduct (*topic 18*) - 2 hours
Property Disclosures & Inspections (*topic 19*) – 2 hours
Ethical Decision Making (*topic 30*) - 2 hours

2006-2008

Ethical Decision Making (*topic 30*) – 2 hours
Risk Management (*topic 33*) – 2 hours
Contracts (*topic 6*) - 2 hours
Real Estate License Law (*topic 25*) - 2 hours

2004 – 2006

Sales

Paper Trails and Documentation (4 hours)

- Agency
- Contracts and Leases
- Disclosures
- Addendums
- Final Closing File

Current Trends (4 hours)

- Case Law and Ethical Implications
- Statute and Regulation Changes
- Industry Trends

Property
Management

Ethics of Real Estate Decision Making (3 hours)

- Case Law and Histories
- Complaints Analysis
- Federal Guidelines and Compliance Issues

Finance & Documents (5 hours)

- Legal Issues
- State Law
- Federal Law
- Landlord/Tenant Law
- Record Keeping Accounting
- Other
- Physical (site) Responsibilities
- Fiduciary Responsibilities

Community
Association

Ethics of Real Estate Decision Making (3 hours)

- Case Law and Histories
- Complaints Analysis
- Federal Guidelines and Compliance Issues

Finance & Documents (5 hours)

- Legal Issues
- State Law
- Federal Law
- Record Keeping Accounting
- Other
- Physical (site) Responsibilities
- Fiduciary Responsibilities
- Association Board Interaction

Commercial
Sales &
Leasing

Ethics of Real Estate Decision Making (3 hours)

Case Law and Histories

Complaints Analysis

- Federal Guidelines and Compliance Issues

Finance & Documents (5 hours)

- Commercial Sales Analysis
- Determining Cash Flow
- Net Operating Cost
- Understanding Tax Implications
- Commercial Lease Analysis
- Sales versus Leasing
- Determining Cash Flow
- Understanding Tax Implications

2002-2004

Sales	Real Estate Business Ethics (3 hours) Contracts (2 hours) Risk Management (3 hours)
Property Management	Real Estate Business Ethics (3 hours) Property Management Fundamentals (5 hours)
Community Association	Real Estate Business Ethics (3 hours) Community Association Documents (5 hours)
Commercial Sales	Real Estate Business Ethics (3 hours) Finance (5 hours)

2000-2002

Sales	Ethical Decision Making (3 hours) Disclosures (5 hours)
Property Management	Management Law (3 hours) Finance/Administration (5 hours)
Community Association	Ethical Decision Making (3 hours) Community Association Documents (5 hours)
Commercial Sales	Disclosures (4 hours) Finance (4 hours)

1998 – 2000

Fiduciary Duties of Agency (2 hours)
Current Case Law (2 hours) Property Management (2 hours) Contracts (2 hours)

1996 – 1998

Agency (2 hours)
Current Case Law (2 hours)
Licensing Statutes & Regulations (2 hours)
Property Inspections (1 hour)
Energy Efficient Construction (1 hour)

1994-1996

Current Case Law (2 hours)
Fair Housing (1 hour)
Disclosures (3 hours)
 Property
 Agency
 Psychological Impacts Environmental Concerns (2 hours)
 Wetlands, contaminated soil

1992-1994

Agency Disclosure (2 hours)
Property Disclosure (2 hours)
Environmental Topics (3 hours)
(wetland, DCE/DEQ requirements, asbestos, radon)Current Real Estate Case Law (1 hour)

2020 - 2022 DCE GUIDELINES

DCE TOPIC	HOURS	MUST INCLUDE AT LEAST 2 OF THE SUBJECTS AREAS:
Broker Supervision and Management-	2	<ul style="list-style-type: none"> • Definition of supervision • Broker responsibility for policies and procedures <ul style="list-style-type: none"> -Licensee relationships -Teams • Broker policy & implementation of client confidentiality • Responsibilities of Brokers with branch offices <ul style="list-style-type: none"> -Direct supervision -Advertising -Display of license certificates -Home offices • Brokers engaged in property management <ul style="list-style-type: none"> -Policies for licensee owned property -Overseeing records of transactions • Recordkeeping responsibilities • Consequences for failure to supervise • Reporting violations • Teaching professionalism
Ethics	2	<ul style="list-style-type: none"> • Business ethics as it relates to real estate • Ethics as it relates to the Alaska Real Estate • Commission Consumer Disclosure • Ethical handling of conflicts of interest • Protecting client confidentiality • Ethics models in other professions (i.e. medical) • Disclosures
Prohibited Conduct	2	<ul style="list-style-type: none"> • Receiving/paying commissions • False advertising/misrepresentation • Falsifying license applications/credentials • Misrepresentation, fraud • Failing to disclose <ul style="list-style-type: none"> -Licensee relationships -Conflicts of interest -Compensation -Property information -License status • Employment of unlicensed personnel • Violation of local, state, federal law

2020 - 2022 DCE GUIDELINES

Advertising and Social Media	2	<ul style="list-style-type: none">• Advertising requirements for property<ul style="list-style-type: none">-Consumer owned<ul style="list-style-type: none">-Written authorization-Name of brokerage-Licensee owned<ul style="list-style-type: none">-Name of brokerage-License status• Advertising of home offices<ul style="list-style-type: none">Risks of social media<ul style="list-style-type: none">-Failure to comply with local, state, federal statute advertising regulations-Claims of defamation & libel-Copyright infringement-Trademark infringement-Breach of ethics (NAR COE article 12 & 15)-Discrimination-Misrepresentation• How to properly advertise on social media
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DCE COURSE TITLE 2018 - 2020	Must include at least some of the following but not necessarily all:
Ethical Situations – 2 hours	<ul style="list-style-type: none"> • Discussions of specific situations working with <u>buyers and/or tenants</u>: advertising, showing, offers, accepted agreements through closing etc. • Discussions of specific situations working with <u>sellers and/or landlords</u>: advertising, showing, offers, accepted agreements through closing etc. • Discussions of specific situations working with other licensees in a transaction including but not limited to single licensees as well as teams etc. • Discussion of differences and unique responsibilities working with out of area owners/sellers and/or buyers/tenants etc. • Discussion of situations working with out of area licensees etc.
Understanding and working with title reports, encroachments, and easements – 2 hours	<p>Course should include but not be limited to discussion of the proper ways to investigate these and other related items (how and when); help the consumer locate experts to assist them in understanding the potential impact for the consumer on a property and transaction; and to understand where possible and when necessary who they and the consumer can work with to reduce or eliminate negative impacts of these.</p>
Contract law as it pertains to documents used in real estate – 2 hours	<p>Understand how to have a successful real estate contract with/for a consumer including but not limited to; making sure you know and verify who has the authority to sell or rent property; how to confirm the complete legal description of a property and why it is important; how to help the consumer confirm that the zoning for the property allows its intended use; the importance of following provisions of a written contract making sure that the parties follow through on their obligations; importance of making it a habit to get any change, modification or deletion in writing and explaining why that is important to consumers; the reasons why state required disclosures are necessary to protect the consumer; and the importance of complete disclosure of what is and what is not included in a sale/rental as well as what the condition of a property will be when it is turned over to the other party.</p>
Inspections and Disclosure -2 hours	<ul style="list-style-type: none"> • Differences between the types of inspections that are available for different types and uses of properties and their purposes (tailor to the audience i.e. residential, commercial, property management) • Need and requirements of inspections of living structures versus personal property and how each is handled. • Requirements of when to get and how to explain the disclosure form to consumers. What happens if it is not provided to buyer prior to signing an agreement? As well as what to do when new property material facts are received. • Discussions on why a consumer should and how a consumer can investigate information given to them through disclosure forms

2016 - 2018 DESIGNATED CONTINUING EDUCATION (DCE) GUIDELINES

DCE TOPIC	HOURS	SUBJECT AREAS MUST INCLUDE AT LEAST TWO OF THE FOLLOWING TOPICS
Situational Ethics- (topics 1,15,16,17,19,21,30,33,38)	2	-complicated scenarios e.g. open house scenarios -negotiation practices -employing good risk management techniques
Contract Law (topics 1, 6, 9, 14, 18, 22, 29, 33)	2	-understanding forms -fundamentals of contract law -rescission agreements -basic contract law
Consumer Protection- to include TRID (topics 6, 9, 10, 15,19, 22, 29)	2	-TRID (Truth in Lending/RESPA Integrated Disclosure) -anti-trust price fixing -fair housing -advertising -property disclosure
Practical Licensee Relationship Disclosure (topics 1, 6, 15, 16, 30, 39, 41)	2	-complicated scenarios e.g. teams -consumer disclosure -basics of a relationship -understanding the various relationships and options for licensees

2014 – 2016 DCE Course Approval Requirements/Guidelines

Topics	Hrs	Materials to Cover
Landlord Tenant Act-Basics for all licensees (topics 1, 2, 6,15, 20)	2	<ul style="list-style-type: none"> - Basics of LLTA -Tenant / Landlord responsibilities during a sale (notice to tenants, transferring leases, etc.) -Licensee responsibilities during a sale -Writing purchase contracts when a tenant is involved -Proper disclosure of Licensing Relationships in property management -Conversion of trust funds -Duties of earnest money -Deposits and trust activity <ul style="list-style-type: none"> How are deposits handled. How trust accounts are managed, etc.
Current Alaska Real Estate Legal and Ethical Issues (topics 4, 9, 18, 25, 30, 33, 35)	2	<ul style="list-style-type: none"> -Current cases -Ethical issues <ul style="list-style-type: none"> Current cases -Risk Management -Real Estate License Law - especially licensed and unlicensed activities -Advertising <ul style="list-style-type: none"> Traditional Social Media -Supervision <ul style="list-style-type: none"> Licensees Teams -Deposits and trust activity <ul style="list-style-type: none"> How are deposits handled. How trust accounts are managed, etc.
Contracts & Real Estate License Law (topics 2, 6, 15, 25, 33)	2	<ul style="list-style-type: none"> -Contract Modifications -Emphasis on the risks (and merits) of licensees adding verbiage to contracts and the consequences to all parties should the licensee miss a step per the contract -commonly used phrases, constructing contract clauses -Early occupancy, hold harmless agreements, etc. -Land Issues <ul style="list-style-type: none"> Well/septic, easements, etc. -Fair Housing & Equal Opportunity Laws -RESPA Compliance -Procuring Cause
Consumer Protection (topics 2, 4, 6, 9, 18, 24, 25, 30, 41)	2	<ul style="list-style-type: none"> -Fair Housing & Equal Opportunity Laws -RESPA Compliance -Anti-trust regulations and -State of Alaska E&O Insurance requirements -Consumer Pamphlet/licensing relationships -Advertising <ul style="list-style-type: none"> Traditional Social Media -Supervision <ul style="list-style-type: none"> Licensees Teams

Executive Administrator's Report

EDUCATION REPORT

September 15, 2021

(as of 8/10/2021)

<u>Course Type</u>	<u>Currently Approved</u>
Pre-Licensing (SPL)	13
Broker Upgrade Pre-Licensing (BPL)	4
Elective Continuing Education (ECE)	369
Designated Continuing Education (DCE)	67
Post Licensing Education (PLE)	73
	Total: 526

Instructor

Permanent	74
<u>New Instructor</u>	1
• Stephanie Creviston, Delta Junction, AK	
Temporary Instructor	0

LICENSING REPORT
 SEPTEMBER 15, 2021

New Licensees June 3, 2021 - August 30, 2021: 88
Total Number of <u>Active</u> Licensees with 1/31/2022 exp: 2,955
Total Number of Licensees with 1/31/2022 exp: *3,145

ACTIVE: 1/31/22 exp	Mar	Jun	Sep
Broker	418	420	427
Associate Broker	391	401	403
Salesperson	1,986	2,079	2,125
Total Active:	2,795	2,900	2,955

INACTIVE: 1/31/22 exp	Mar	Jun	Sep
Broker	0	2	0
Associate Broker	1	1	1
Salesperson	19	6	12
Total Inactive:	20	9	13

LAPSED: NON-COMPLIANCE OF PLE w/exp date of 1/31/22			
	Mar	Jun	Sep
Broker	0	0	0
Associate Broker	0	0	0
Salesperson	17	1	3
Total:	17	1	3

LAPSED: 1/31/20 exp	Mar	Jun	Sep
Broker	28	35	35
Associate Broker	35	39	39
Salesperson	346	407	406
Total Lapsed:	409	481	480

*includes licensees that are active, inactive, lic rtnd, probation, suspension, surrender, and lapsed (PLE), all with 1/31/2022 expiration date

Transfers:	Mar	Jun	Sep
	236	213	140

PLE Completed:	Mar	Jun	Sep
	78	60	50

Upgrades:	
S - AB = 6	S - B = 1

In this reporting period	Mar	Jun	Sep
License Returned	28	20	20
Probation License	1	1	0
Suspended	1	0	0
Revoked	0	0	0
Surrendered	0	0	0

RICE INSURANCE SERVICES COMPANY, LLC
 CLAIMS LISTING FOR CNA CLAIMS
 REAL ESTATE COMMISSION GROUP POLICY
 SECOND QUARTER 2021

Claim #	Loss Date	Report Date	Date Notified	Allegation	Policy #	Status	Claim Reserves	Expense Reserves	Claims Payment	Expense Payment	Subr	Incurred
CC13284	9/1/2016	10/16/2018	9/5/2018	Non-Discl / Misrep Mold	18 EO 0001AK-	C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
							\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

CLAIMS COUNT:	1	--Losses---	----	---
CLOSED CLAIMS:	1	Closed Paid:	\$0.00	\$0.00
OPEN CLAIMS:	0	Closed Recovery:	\$0.00	\$0.00
		Closed Incurred:	\$0.00	\$0.00
		Open Paid:	\$0.00	\$0.00
		Open Reserves:	\$0.00	\$0.00
		Open Incurred:	\$0.00	\$0.00
		Current Recov's:	\$0.00	\$0.00
		Total Incurred:	\$0.00	\$0.00

Claim #	Loss Date	Report Date	Date Notified	Allegation	Policy #	Status	Claim Reserves	Expense Reserves	Claims Payment	Expense Payment	Subr	Incurred
CC14132	10/25/2017	9/19/2019	9/19/2019	Incident / Allegations Unknown	19 EO 0002AK-	C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CC13986	4/4/2019	7/25/2019	6/28/2019	Negligent Hiring of Contractor	19 EO 0002AK-	C	\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$0.00	\$3,000.00
CC14231	4/15/2017	10/28/2019	10/28/2019	Subpoena	19 EO 0002AK-	D	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
							\$3,000.00	\$0.00	\$3,000.00	\$0.00	\$0.00	\$3,000.00

CLAIMS COUNT:	3	--Losses---	----	---
CLOSED CLAIMS:	3	Closed Paid:	\$3,000.00	\$0.00
OPEN CLAIMS:	0	Closed Recovery:	\$0.00	\$0.00
		Closed Incurred:	\$3,000.00	\$3,000.00
		Open Paid:	\$0.00	\$0.00
		Open Reserves:	\$0.00	\$0.00
		Open Incurred:	\$0.00	\$0.00
		Current Recov's:	\$0.00	\$0.00
		Total Incurred:	\$3,000.00	\$3,000.00

Claim #	Loss Date	Report Date	Date Notified	Allegation	Policy #	Status	Claim Reserves	Expense Reserves	Claims Payment	Expense Payment	Subr	Incurred
CC14970	6/24/2019	8/11/2020	7/23/2020	Misrep Water Damage	20 EO 0003AK-	C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CC15349	5/7/2020	12/21/2020	10/26/2020	Ethics Complaint	20 EO 0003AK-	D	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CC15332A	10/13/2020	12/14/2020	12/7/2020	Misrep Other	20 EO 0003AK-	O	\$0.00	\$1,001.00	\$0.00	\$0.00	\$0.00	\$1,001.00
CC15332	10/13/2020	12/14/2020	12/7/2020	Misrep Other	20 EO 0003AK-	O	\$0.00	\$9,000.00	\$0.00	\$4,270.50	\$0.00	\$9,000.00
CC14979	8/23/2018	8/17/2020	8/7/2020	Breach of Prprty Mgmt Contract	20 EO 0003AK-	O	\$5,000.00	\$9,000.00	\$0.00	\$618.90	\$0.00	\$14,000.00
							\$5,000.00	\$19,001.00	\$0.00	\$4,889.40	\$0.00	\$24,001.00

CLAIMS COUNT:	5	--Losses---	----	---
CLOSED CLAIMS:	2	Closed Paid:	\$0.00	\$0.00
OPEN CLAIMS:	3	Closed Recovery:	\$0.00	\$0.00
		Closed Incurred:	\$0.00	\$0.00
		Open Paid:	\$0.00	\$4,889.40
		Open Reserves:	\$5,000.00	\$14,111.60
		Open Incurred:	\$5,000.00	\$19,001.00
		Current Recov's:	\$0.00	\$0.00
		Total Incurred:	\$5,000.00	\$24,001.00

**RICE INSURANCE SERVICES COMPANY, LLC
ALASKA REAL ESTATE COMMISSION
GROUP POLICY CLAIMS INFORMATION
SECOND QUARTER 2021**

Group Policy Number	TOTAL PAID FOR CLOSED CLAIMS			TOTAL INCURRED FOR OPEN CLAIMS			Claims Count	Total Incurred
	Claims Count	Loss	Legal	Claims Count	Loss	Legal		
18 EO 0001AK-	1	\$0.00	\$0.00	0	\$0.00	\$0.00	1	\$0.00
19 EO 0002AK-	3	\$3,000.00	\$0.00	0	\$0.00	\$0.00	3	\$3,000.00
20 EO 0003AK-	2	\$0.00	\$0.00	3	\$5,000.00	\$19,001.00	5	\$24,001.00
21 EO 0004AK-	0	\$0.00	\$0.00	2	\$0.00	\$0.00	0	\$0.00
TOTALS	6	\$3,000.00	\$0.00	5	\$5,000.00	\$19,001.00	9	\$27,001.00

Total Incurred Closed Claims \$3,000.00

Total Incurred Open Claims \$24,001.00

*The incurred amount for open claims includes payments and reserve amounts set by the adjusters (the estimated amount needed for damages and claims expenses to close the open claims) but does not include any amounts incurred but not reported (IBNR), loss development amounts (a factor used by actuaries to determine the ultimate loss incurred), or administrative costs (the insurer's costs to provide the program, including their staffing costs and expense allocations, program administration, marketing, and claims adjustment costs). All of these factors are additional costs for the program.

Statement of Revenues, Expenditures, and Changes in Fund Balances
Real Estate Recovery Fund
Actual for Years Ended June 30, 2015 through June 30, 2021
and
Projected for Fiscal Years Ending June 30, 2022 and June 30, 2023

	Actuals						Projected		
	For the Fiscal Year Ending June 30, 2015	For the Fiscal Year Ending June 30, 2016	For the Fiscal Year Ending June 30, 2017	For the Fiscal Year Ending June 30, 2018	For the Fiscal Year Ending June 30, 2019	For the Fiscal Year Ending June 30, 2020	For the Fiscal Year Ending June 30, 2021	For the Fiscal Year Ending June 30, 2022	For the Fiscal Year Ending June 30, 2023
ASSETS									
Cash and Investments	\$ 454,264	\$ 465,770	\$ 392,207	\$ 394,514	\$ 277,675	\$ 327,850	\$ 257,747	\$ 317,018	\$ 236,915
Total Assets	454,264	465,770	392,207	394,514	277,675	327,850	257,747	317,018	236,915
LIABILITIES									
Accounts Payable and Accrued Liabilities	7,211	(30)	1,517	(10,691)	11,230	4,857	18,129	4,857	18,129
Total Liabilities	7,211	(30)	1,517	(10,691)	11,230	4,857	18,129	4,857	18,129
FUND BALANCES									
Reserved for Education and Claims	447,053	465,800	390,691	405,205	266,445	322,993	239,617	312,161	218,786
Total Fund Balance	447,053	465,800	390,691	405,205	266,445	322,993	239,617	312,161	218,786
Total Liabilities and Fund Balances	\$ 454,264	\$ 465,770	\$ 392,207	\$ 394,514	\$ 277,675	\$ 327,850	\$ 257,747	\$ 317,018	\$ 236,915
Average 2 year licensing cycle fund balance:		Average of 6/30/15 & 6/30/16	Average of 6/30/16 & 6/30/17	Average of 6/30/17 & 6/30/18	Average of 6/30/18 & 6/30/19	Average of 6/30/19 & 6/30/20	Average of 6/30/20 & 6/30/21	Average of 6/30/21 & 6/30/22	Average of 6/30/22 & 6/30/23
		\$ 460,017	\$ 428,988	\$ 393,361	\$ 336,095	\$ 302,763	\$ 292,799	\$ 287,382	\$ 276,967

Note: Per the State Comprehensive Annual Financial Report the State "funds are reported using modified accrual accounting which measures cash and other financial assets that can be readily converted to cash".

Note: The total Liabilities is year to date
For FY23 Liabilities projected using FY21

Statement of Revenues, Expenditures, and Changes in Fund Balances
Real Estate Recovery Fund
Actual for Years Ended June 30, 2015 through June 30, 2021
and
Projected for Fiscal Years Ending June 30, 2022 and June 30, 2023

	Actuals											Projected	
	For the Fiscal Year Ended 6/30/15	For the Fiscal Year Ended 6/30/16	For the Fiscal Year Ended 6/30/17	For the Fiscal Year Ended 6/30/18	For the Fiscal Year Ended 6/30/19	For the Fiscal Year Ended 6/30/20	For the Quarter Ended 9/30/20	For the Quarter Ended 12/31/20	For the Quarter Ended 3/31/21	For the Quarter Ended 6/30/21	For the Fiscal Year Ended 6/30/21	For the Fiscal Year Ended 6/30/22	For the Fiscal Year Ended 6/30/23
REVENUES													
Licenses and Permits	38,425	\$ 126,910	38,370	133,550	29,465	193,865	18,395	5,740	16,120	14,810	55,065	(1) 193,865	(1) 55,065
Interest and Investment Income	2,164	2,533	3,178	4,230	9,964	6,918	732	523	(1,616)	670	309	(2) 6,918	(2) 7,000
TOTAL REVENUES	40,589	129,443	41,548	137,780	39,429	200,783	19,127	6,263	14,504	15,480	55,374	200,783	62,065
EXPENDITURES													
Personal Services	113,145	112,763	115,097	134,846	126,366	124,812	22,863	34,292	33,380	34,934	125,468	(3) 124,812	(3) 125,468
Travel	0	-	-	-	-	-	-	-	-	-	0	0	0
Commodities	0	89	-	617	-	-	-	-	-	-	0	0	0
Services - Non-claims	732	5,085	13	10	5,000	497	-	-	9	-	9	0	0
Services - Claims & Associated Legal costs	0	-	-	-	24,902	25,300	-	-	-	-	0	16,700	16,700
TOTAL EXPENDITURES	113,877	117,937	115,110	135,473	156,268	150,608	22,863	34,292	33,389	34,934	125,477	141,512	142,168
Excess (Deficiency) Revenues Over Expenditures	(73,288)	11,505	(73,562)	2,307	(116,839)	50,175	(3,736)	(28,029)	(18,885)	(19,455)	(70,104)	59,272	(80,103)
Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	(73,288)	11,505	(73,562)	2,307	(116,839)	50,175	(3,736)	(28,029)	(18,885)	(19,455)	(70,104)	59,272	(80,103)
Fund Balances - Beginning of Year	527,552	454,264	465,770	392,207	394,514	277,675	327,850	324,115	296,086	277,201	327,850	257,747	317,018
Fund Balances - End of Year	454,264	\$ 465,770	\$ 392,207	\$ 394,514	\$ 277,675	\$ 327,850	324,115	296,086	277,201	257,747	\$ 257,747	\$ 317,018	\$ 236,915

(1) For FY22, licenses and permits revenue projected to be the same as FY20.

(2) Projecting through FY22 based on FY20 rate of earnings.

For FY22, the annual personal services costs are projected for the Executive Administrator to spend 10% and the Project Assistant to spend

(3) 100% of their time on Real Estate Recovery Fund related tasks.

Statement of Revenues, Expenditures, and Changes in Fund Balances
Real Estate Recovery Fund
Actual for Years Ended June 30, 2015 through June 30, 2021
and
Projected for Fiscal Years Ending June 30, 2022 and June 30, 2023

	Actuals							Projected	
	For the Fiscal Year Ended 6/30/15	For the Fiscal Year Ended 6/30/16	For the Fiscal Year Ended 6/30/17	For the Fiscal Year Ended 6/30/18	For the Fiscal Year Ended 6/30/19	For the Fiscal Year Ended 6/30/20	For the Fiscal Year Ended 6/30/21	For the Fiscal Year Ended 6/30/22	For the Fiscal Year Ended 6/30/23
CASH FLOWS FROM OPERATING ACTIVITIES									
Receipts for Licenses & Permits	\$ 38,425	\$ 126,910	\$ 38,370 ⁽¹⁾	\$ 133,550 ⁽¹⁾	\$ 29,465 ⁽¹⁾	\$ 193,865 ⁽¹⁾	\$ 55,065 ⁽¹⁾	\$ 193,865	\$ 55,065
Payments to Employees	(113,145)	(112,763)	(115,097) ⁽²⁾	(134,846) ⁽²⁾	(126,366) ⁽²⁾	(124,812) ⁽²⁾	\$ (125,468) ⁽²⁾	(124,812)	(125,468)
Payments for Services/Claims	-	-	-	- ⁽³⁾	(24,902) ⁽³⁾	(25,300) ⁽³⁾	- ⁽³⁾	(16,700)	(16,700)
Other Payments	(732)	(5,174)	(13)	(627)	(5,000)	(497)	(9)	-	-
Net Cash Provided (Used) by Operating Activities	(75,452)	8,973	(76,740)	(1,923)	(126,803)	43,257	(70,412)	52,353	(87,103)
CASH FLOWS FROM INVESTING ACTIVITIES									
Interest and Dividends on Investments	2,164	2,533	3,178 ⁽³⁾	4,230 ⁽³⁾	9,964 ⁽³⁾	6,918 ⁽³⁾	309 ⁽³⁾	6,918	7,000
Net Cash Provided (Used) by Investing Activities	2,164	2,533	3,178	4,230	9,964	6,918	309	6,918	7,000
Net Increase (Decrease) in Cash	(73,288)	11,505	(73,562)	2,307	(116,839)	50,175	(70,104)	59,272	(80,103)
Cash and Cash Equivalents - Beginning of Year	527,552	454,264	465,770	392,207	394,514	277,675	327,850	257,747	317,018
Cash and Cash Equivalents - End of Year	\$ 454,264	\$ 465,770	\$ 392,207	\$ 394,514	\$ 277,675	\$ 327,850	\$ 257,747	\$ 317,018	\$ 236,915

(1) For FY22, licenses and permits revenue projected to be the same as FY20.

(2) Projecting through FY22 based on FY20 rate of earnings.

(3) For FY22, the annual personal services costs are projected for the Executive Administrator to spend 10% and the Project Assistant to spend 100% of their time on Real Estate Recovery Fund related tasks.

EXECUTIVE SESSION MOTION

Sec. 44.62.310. Government meetings public.

(c) The following subject may be considered in an executive session:

- (1) matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the public entity;
- (2) subjects that tend to prejudice the reputation and character of any person, provided the person may request a public discussion;
- (3) matters which by law, municipal charter, or ordinance are required to be confidential;
- (4) matters involving consideration of government records that by law are not subject to public disclosure.

MOTION WORDING:

“In accordance with the provisions of Alaska Statute 44.62.310 (c), I move to go into executive session for the purpose of discussing (select the appropriate statutory citation for the situation):

(1) matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the public entity; **OR**

(2) subjects that tend to prejudice the reputation and character of any person, provided the person may request a public discussion; OR

(3) matters which by law, municipal charter, or ordinance are required to be confidential; **OR**

(4) matters involving consideration of government records that by law are not subject to public disclosure.

Board staff is requested to remain during the session **OR**
Board only to remain during session.”

Staff will then state “The board is off the record at _____(time).”

Commission Members Comments & Questions

Adjournment