Washington State Real Estate Commission meeting transcript – November 16, 2023

Eddie Chang (00:00:00):

To the November 16th meeting of the Washington State Real Estate Commission. My name is Eddie Chang. I'm the vice chair. Unfortunately, Jen is not available today. So as a quick reminder to all of our guests that are here today as members of the public, there is a public comment period at the end of the meeting. Please wait. If you have any comments, you're more than welcome to make comments at the end of the meeting. Otherwise, it is for staff and commissioners. So we're going to call this meeting to order and let's start off with the roll call.

Saundra Schaefer (00:00:44):

Thank you Eddie. So Chair Clawson has an excused absence. So does Commissioner Fabiola Macias. So I'll start with you. Vice-Chair Chang?

Eddie Chang (00:00:55):

Present.

Saundra Schaefer (00:00:56):

Thank you. Commissioner Brazil?

Casey Brazil (00:00:59):

Here.

Saundra Schaefer (00:01:00):

Thank you. Commissioner Bruce Jones?

Bruce Jones (00:01:03):

Here.

Saundra Schaefer (00:01:04):

Thank you. Commissioner Bobby... Skip that one. Commissioner Jones-Schroeder?

Sabrina Jones-Schroeder (00:01:09):

Here.

Saundra Schaefer (00:01:10):

Thank you. And Commissioner [inaudible 00:01:13]?

Commissioner (00:01:13):

Here.

Saundra Schaefer (00:01:14):

Thank you. Back to you Vice Chair, Chang.

Eddie Chang (00:01:17):

Thank you. Next would be the approval of the agenda with one minor change for the PSI updates. The update will be given by our deputy assistant director, Sarah Pittman.

Sandy Baur (00:01:38):

And we'll have an additional change to that when we get there too. So I'll do that when we get to that agenda item.

Eddie Chang (00:01:44):

Perfect. All right, so I'll take the approval agenda by unanimous consent. Any objections? Hearing none. The agenda has been approved. Approval for the minutes as well as by unanimous...

Sandy Baur (00:02:03):

Vice Chair Chang, we'll also need an approval vote.

Eddie Chang (00:02:07):

Okay. We can't approve by unanimous consent?

Sandy Baur (00:02:12):

That would work too. Sorry.

Eddie Chang (00:02:15):

All right, so we did the general by unanimous consent. Let's do the meeting minutes as well. Any objections to the meeting minutes? Hearing none. The minutes has passed by unanimous consent. Onto awards and recognition. [crosstalk 00:02:40]

Sandy Baur (00:02:52):

Okay. I think I'm off mute now. We're very excited to introduce our new director to you all. Director Marcus Glasper, I'd like to turn the floor over to you to introduce yourself.

Marcus Glasper (00:03:11):

Thank you. Good morning everyone. Thank you for allowing me to pop into your meeting for a few minutes with the opportunity to introduce myself. As was said, my name is Marcus Glasper and I use he/him pronouns. I've been here at the department for seven and a half months now. Time is flying by. But I'm certainly still grateful for the opportunity to be here. So as you can see here on the slide, a little bit about my background. I'm southern grown, hailing from the state of Louisiana where I was reared and got my undergraduate degree in mechanical engineering. I then moved to the Tri-Cities on the eastern side of this great state shortly thereafter and I worked for the Department of Energy at the Hanford Nuclear Cleanup site. I did that for about 10 years or so. And a fun fact, while I was there, I was one of those quite ambitious ones back in the day. So pertinent to this meeting, I served as a real estate agent, part-time, for a couple of years during my Tri-Cities days having worked for Century 21.

(00:04:32):

So luckily they had stopped wearing those yellow and brown uniforms. I don't think I would've looked good in that but it was a great, great time and a great learning experience for me. I learned that it was really not a profession that you can do well part-time, at least not for me, and being able to service your clients well. So I had to stop doing that in favor of my regular job. As I said, I was quite ambitious and I also owned a restaurant at the same time. So you can see, I was quite a busy one in those days. Anyway, enough about that. Like I said, I worked at Hanford for about 10 years before joining Washington State Government in 2003. I've moved around a bit over the last 20 years with licensing being my fourth agency here in state government. So over the course of my 30 years, I think it's really taken me some interesting places from nuclear waste to prisons to taxes to gambling, and now to licensing.

(00:05:42):

But with that, all of these experiences, however, have I think grounded me in public service, which I've always believed to be my calling. And I think licensing is just a truly great fit as we touch the lives of almost every Washingtonian. As you can imagine, even though I've been here for a little over seven months and I'm still learning something new every day as the breadth of licensing's mission is quite extensive. But just wanted to talk a little bit about some of my focus areas over the next couple of years and the things that are on my mind. One of the things that is the priority is stepping back and looking at and evaluating our agency's strategic framework. I really want to know what guides our work and what guides our decision-making so that we can collaboratively work with stakeholders to make improvements to better serve our customers. We want to make sure that we are preparing the agency for future stability. We actually collect over 3 billion a year. So we really play a central role in collecting revenue for the transportation system here in our state.

(00:06:59):

So we want to make sure that we're partnering others to make sure that we can continue to do that in an equitable way. Supporting our businesses and professions. Really looking at improving our infrastructure to make it easier for our businesses and professions to obtain licensure. Always looking at evaluating the customer experience. As I said, there's almost 8 million people in the state of Washington and we touch many of those folks. So I really consider us to be the face of state government, and we need to make sure that we are doing what we can to serve our customers well. Internally, I want to make sure that we have a diverse, equitable and inclusive culture here at licensing. In order to be able to serve our customers well, we need to be ensuring that we are using an equity lens and continually evaluating our policies and practices to be able to deliver better services. And then finally, on the operational excellence side, we have to make sure that we are ensuring the public trust by always looking at how we can make improvements to enhance our organizational performance.

(00:08:12):

So those are the priority areas for me, the things that are constantly on my mind for this agency. That's a brief overview of who I am. I certainly look forward to working with all of you in the future but I do want to take the opportunity to thank you for your service to this board, your profession, and the residents of Washington for the work you do is important to our licensees as well as our consumers. So I hope you enjoy the rest of your meeting and I wish you all a great fall season. I'm happy to take any questions that you might have but if not, I can turn it back over to you to have a productive meeting.

Eddie Chang (00:09:01):

I just want to say thank you so much for coming on board. This is Commissioner Chang. Thank you for coming on board and I look forward to supporting you.

Marcus Glasper (00:09:13):

Thank you very much.

Sandy Baur (00:09:19):

Okay, thank you. So next we have Mr. Jason Lenn. He is our new military and military spouse liaison. And at this time I would like to turn the floor over to him to introduce himself and talk a little bit about what his new position is.

Jason Lenn (00:09:40):

Thank you, Sandy. Thank you everyone for allowing me to join you this morning. And just to introduce myself, talk a little bit about where I came from and who I am and what I'm going to be doing here. I guess I don't have a slide. Oh, there I am. So I come from Florida. That's where I was raised. Just a little bit of my background. I attended the University of Alabama where I got my degree in finance before joining the Navy. I served 20 years as a linguist in the Navy. I learned Arabic and Pashto, did [inaudible 00:10:20] deployments over that time. And also I met a Washingtonian who I ended up getting married to and had three kids. So we wanted to come back here and retire. So we did that this year. So in August, I decided to leave service and come work for Department of Licensing in the role of military spouse liaison here with the boards and commissions team.

(00:10:52):

So I've been here just a couple of months [inaudible 00:10:56] part of my role here also is working with our boards and commissions and one of the areas that we're implementing this program is through our training. So everyone should have received an email with the military spouse cultural and experience training that the Washington Department of Veterans Affairs has put together. I know we have to complete that mandatory training based on some legislation that was passed last year so we have until the end of the year so we're really trying to ramp that up and complete that requirement. But I'm really excited to be here. I'm really enthusiastic about what we're going to be doing to help our military community and their spouses as working in our profession such as real estate and helping allow them to come here when they come here, to be able to work and use their skills here to help serve Washington. So I'm excited to be here. Thank you all for having me. Look forward to working closely with you in the future.

Sabrina Jones-Schroeder (00:12:09):

This is Commissioner Jones-Schroeder and I just wanted to welcome you as well. I welcomed Marcus to the DOL and then the chat got turned off so I didn't want you to think I didn't want to welcome you as well. So welcome to the DOL. I look forward to working with you.

Jason Lenn (00:12:24):

Thank you.

Sandy Baur (00:12:32):

Thank you so much. And next we have a brand new commissioner. I'm very excited to introduce him to you all. His name is Keith Bruce Jones and at this time, I would really like to invite him to say a few words.

Keith Bruce Jones (00:12:53):

I promise I'm not nearly as interesting as Mr. Glasper or Mr. Lenn, but I'll try. First off, I want to thank everybody for having me and I look forward to working with everybody. I had a chance to meet Mr. Chang. He was amazing. A little bit about me, I'm from Tacoma, from there, went to UW, played in the Husky band, go Huskies. I thought I saw an Oregon hat in there so I immediately cringed. From there. I went into the Navy too. I probably saluted you a few times, Mr. Lenn, so thank you for your service. From there, I went to the Gulf War, did that a couple of times and decided, "Eh, this isn't really my thing. I should get out when I can." And from there I went into Windermere real estate. The funny thing about Windermere, my first interview, I literally looked down at my shoes and I saw sand on my feet from the Persian Gulf and I said, "Oh boy, they're probably not going to hire me for dirty shoes." But luckily they did hire me.

(00:13:55):

About 2008, 2009, I opened Soundpoint Real Estate and I'm still going strong. And from there I joined the Northwest Independent Brokers Association which I'm currently vice president of. I also did two terms on the board of directors for the Northwest Multiple Listing Service, and mostly I've been coaching a lot for the past 35 years, so I tend to bark and yell, just ignore me. So I apologize now. But I do tend to speak my mind, but it's always in a teasing way. So if I offend you, I apologize now. It's not my intentions. But on a serious note, thank you for having me and I look forward to being here.

Jason Lenn (00:14:44):

Welcome to the board. It's great to meet you, and hopefully we can meet you in person soon.

Keith Bruce Jones (00:14:49):

Excellent. I'm looking forward to it because I do like food.

Sandy Baur (00:14:59):

And thank you. That concludes item agenda number five, the awards and recognitions. Now we'll go ahead and... Go ahead.

Eddie Chang (00:15:11):

Let's go on to the number six.

Sandy Baur (00:15:14):

Excellent. So we have agenda item 6.1. This is our PSI update. We have an exciting update for you today. I would like to introduce Sandy Boyce. She is the contract manager for PSI and she has some updates that she would like to share with you all. So at this time, I'd like to turn over the floor to her for her update.

Sandy Boyce (00:15:41):

Thanks, Sandy. Good morning. I'm here just to hopefully alleviate some concerns and to let you all know that we are working several issues with the PSI vendor. I'll give you just a quick, and it's going to be fairly high level update. The first one I wanted to talk about was the personal identifiable information, the PII information, going out through emails. We have addressed it. We have talks did substantially with PSI. They understand the concerns and they actually have gone out and done some retraining with their client services support staff. They've also done that with their managers as well. They understand it's a huge issue for us. And I can report honestly that the first week in October, we had three incidents since we started tracking it, which was back in September, if I'm correct. So I'm sorry, I apologize. I have October for you and that's it. The first week we had three incidents. Only the second week we had in another three incidents. Only the third and fourth week we had no incidents. And through November 6th, which is the data I have, we have none as well.

(00:16:50):

So we're feeling very positive that this has been addressed. And of course there's always going to be a hit here and there, but it is looking to be the training's working and there are some still hanging out, my understanding is, they clean that up, however. These are for incidents that have happened in September back in, and it's just emails going back and forth, so if they believe they've gotten those all cleaned up as well. So we're feeling very good about this and confident that the issue's been addressed. Obviously, if more have happened, please make sure that everybody reports it so we can address it as soon as it does happen. So good on the PII for now. So the data no-show, the information. I know there's significant frustration in the community and it's understood.

(00:17:42):

When PSI, when we're doing our evaluations with them, they came back and they did find two issues that we can tell right now. One was their system was not properly flowing back data to the registration system, meaning, and my understanding, I'm not technical so please don't expect me, I can't do database technical jargon, but they had a system update that had an unforeseen impact and they have since patched that as effective August the teeth I believe. So that's taking care of, the first prong of the issue. The second prong is their business rules within their system are allowing their client service reps and the test takers to schedule tests outside of the windows of availability that they can do. There's six months I believe that you can retake and then they're also allowing tests to be done for both exams apparently. And I don't know your program very well, but both exams are not being required to be scheduled at the same time. And again, it's going outside of the six-month window. They're working on this. They are working on a, I believe they called it a, they're back in data, which is magic. They're working on a fix for this. Late November is where they're hoping for that. Although we have now put in place trackers that notify the PSI program manager when this does happen and they have put in place where the system will not apparently allow them to schedule a client service. Client service representative cannot schedule an exam. If it's outside the rules, it's stopped and it's pinged up to PSI management where they either override it or they realize there's an issue. So we're hoping until that magic, the backend data fix is in place, that this will alleviate some of it not completely done. We do realize that it's a huge impact on everybody. With that, so we're moving forward. Also, just to let you know, PSI is going to be migrating us to a new platform for your registration. It's going to be Salesforce. That's happening right now. Though the impact, I don't think it's going to be out for everybody for January, February. There's not a specific date for it. But this should also, going to a new platform, updated technology should hopefully alleviate some of this stuff as well.

(00:20:21):

So that's the future. That's how we're trying to fix it. We do realize there's significant backlog of outstanding complaints and issues. There is a log, we are working on it, PSI the whole team, and we're trying to get through it as best we can. I can't get a firm date on when everything is going to be taken care of but we are trying to work through all of the issues outstanding that have been happening for the last six months, I believe. So that, we're working with the program. So it's being addressed. We just need some patience and I...

(00:20:55):

... at least a little tired of hearing that, but that's where we're at right now. I will tell you, PSI has been working with us diligently. I meet with them weekly. Leadership meets with them probably more monthly when they have more to report, but I'm working with PSI as well as the program team weekly to address these issues. So it is being addressed. So I probably didn't answer all the questions, but hopefully I gave a little bit of a comfort that we are addressing these issues. We still understand there's more going on and we are working through them.

Eddie Chang (00:21:42):

Thank you. Before we open up to comments and questions, the PII portion of it, we glossed over. I don't think the commissioners are well-read into that situation right now. Could you go give us a bit more details on that before we let people...

Sandy Boyce (00:21:59):

Yeah, of course. What we're doing is we were notified, and I believe it was out in the field, that emails were being sent with social security numbers in the subject line as well as some other issues. That's obviously a big no-no. And we notified PSI that this was an issue. They do have requirements that they need to follow with your information. Sarah probably has some good information too. Sarah?

Sarah Pittman (00:22:32):

Thank you Sandy, and hi everyone. I am the Deputy Assistant Director for Business and Professions Division, for those of you I haven't been able to meet yet. So to Sandy's point, we did find that there were a few emails that were forwarded around with some PII within them from PSI staff. We caught that pretty early and started escalating it as quickly as possible. Jen Clawson and I have been meeting with PSI's leadership. It's obviously really important to us that sensitive information be maintained at the appropriate level. So we've been working very, very closely with them. We caught it early. They were able to quickly find within their customer service area how that was happening. There was no bad intent. It was just some training issues that needed to take place with some new onboarding. So they have stepped in, they've started training. They've put a lot of checks and balances in place to ensure that this doesn't continue to happen. And we believe that to be true because we've seen a decrease almost immediately with that information being shared.

(00:23:43):

I do apologize that this is the first time you're hearing of that but I can assure you that we are meeting with them every three to four weeks and checking in and making sure all of these things that they've been working and partnering with us on are being met so that our Washingtonian licensees are taken care of.

Eddie Chang (00:24:09):

Thank you. All right. Comments, questions from the commissioners, please?

Sabrina Jones-Schroeder (00:24:16):

This is Commissioner, Jones-Schroeder. So I understand the concern is the PII being in an email subject line or what have you. I seem to recall that I had forwarded and brought up at a commission meeting. One candidate was concerned that PSI even needed their social security number to register for an exam. Is that being addressed with PSI? And I can't say as I disagree. Why would a testing vendor need a social security number? I understand the need to verify that the person taking the exam is the person who's the actual candidate but it seems like there could be some other way to verify the person taking the exam or registering for the exam as the actual candidate without even introducing the candidate's social security number into the system.

Sarah Pittman (00:25:14):

Absolutely. And that was one of our first questions as well. And that is part of the training that has started taking place at PSI. I think what happened is they onboarded some new folks. They didn't know necessarily what they should be asking for in order to verify a test taker but we have been working with their leadership to ensure that that's not part of what they ask for when they're identifying somebody. And that has gone into effect at PSI and should no longer be happening.

Sabrina Jones-Schroeder (00:25:45):

Gotcha. Okay. So the solution isn't just don't share the security number, it's PSI. You shouldn't even be asking for it.

Sarah Pittman (00:25:52):

Correct.

Sabrina Jones-Schroeder (00:25:53):

Gotcha. Okay, great. Thanks.

Eddie Chang (00:26:06):

Okay. Hearing no... Seeing nobody else with their hand raised. I guess it's time to move on to the next item, which would be the UW report.

Sabrina Jones-Schroeder (00:26:17):

Sorry, sorry, sorry, sorry. Eddie, sorry. Commissioner Jones-Schroeder again. So thank you for the report out on the, I guess I'd say the procedural issues with PSI in terms of folks getting registered, the PII concerns and what have you. I think we do still have the concerns and I'm not sure if we're reporting out on, on the Education Subcommittee, but I think there is still the concern about the test itself, especially with regard to managing brokers. So at this point is staff's focus really on the procedural registration issues and it's the education Subcommittee that's going to be charged with continuing to look at the low pass rates and the test and prep materials. Where are we on that part of our PSI concerns?

Bill Dutra (00:27:18):

Good morning, Commissioner Jones-Schroeder. This is Bill Dutra. So we are continuing to look at that as well. Right now our focus is with the department staff as Ms. Pittman and Ms. Boyce have indicated. As we're looking at some of those procedural issues and problems that we've become aware of with PSI, we have sent PSI a numerous list of things that we would like them to correct sooner rather than later, which were a lot of the concerns and issues that have been brought up in public comments and by the commissioners. We will be addressing that. We can come back and take a look at those as well. We still are gathering information. We had a preliminary study done by the Washington Center for Real Estate Research that I believe that was some initial information was brought out. So that's information we can come back to again as well. I don't want you to think that we're ignoring that but our focus right now is getting our examinees, our licensees through a process consistently and appropriately and timely responses from this contracted vendor at this time.

Sabrina Jones-Schroeder (00:28:24):

I appreciate that. Thanks.

Eddie Chang (00:28:31):

All right. Any final comments or questions from commissioners? Hearing none. Let's move on to the report from the Real Estate Research Center.

Sandy Baur (00:28:44):

This is great. Go ahead.

Steven Bourassa (00:28:48):

You want me to go ahead?

Sandy Baur (00:28:50):

Yes. I was just going to do a quick introduction.

Steven Bourassa (00:28:52):

Sure.

Sandy Baur (00:28:54):

So we have with us the Director, Steven Bourassa from the University of Washington Center for Real Estate Research, and he will be giving us a detailed report out about the data that we had requested earlier this year.

Steven Bourassa (00:29:11):

Okay. Thanks, Sandy. In fact, what I'm going to talk about actually is directly relevant to the question that was raised by the commissioner just a moment ago. It doesn't really fully answer the... It doesn't solve the problem, but it clarifies that there is a problem. So I'm going to share my screen and let me see if I can do that. I don't know if you can see the... Whoops. I don't know how to do that. I'm not that familiar with Teams so you have to bear with me. How do I get rid of this screen? There we go. Can you see that?

Sandy Baur (00:30:05):

Yes, we can see your PowerPoint presentation.

Steven Bourassa (00:30:07):

Okay, great. Okay. As Sandy mentioned, I'm the director of the Washington Center for Real Estate Research. I'm also the chair of the Rundstedt Department of Real Estate at the University of Washington. We were asked a few months ago to look at the exam pass rates, in particular the managing broker exam pass rates, although we also looked at the broker exams. The motivation was that there's been a significant drop in the managing broker exam pass rates. We looked at data from 2018 to the present including some data from 2023. But just focusing on 2018 through 2022, there was a 25% point decline in the managing broker exam pass rate, which seems pretty large. There's a slight improvement in early 2023. The latest data we have is from earlier this year. It's not entirely up to date but we did start to see some improvement at the beginning of the year, at least. The broker exam pass rate has also dropped during that period, although not as much, from about 59% to about 48%. So by a smaller number of percentage points.

(00:31:34):

So our questions are, how do the pass rates, or this is what we were asked to look into, how do these pass rates for both the managing brokers and brokers compare with the experience in other states? Is this something that's unique to Washington or is it something that's COVID related or that is being experienced all over the country? What exactly is happening here? We were also asked somewhat later to have a look at the distribution of pass rates by school within Washington. But in working with the data that the reports that we received from PSI, we discovered a couple of issues with the data. One in particular that we just have not been able to sort out yet so we can't really produce reliable results at this point. We're happy to look at that in the future once we get answers to the questions about these issues. So we may be reporting again later on that topic. So what we did was we looked first online for exam pass rate data from other states that went back at least five years.

(00:32:52):

In some cases, we found some data and then we emailed the real estate commissions to get some additional data. We looked at quite a few different states. We didn't look at all 50 but we looked at a pretty large sample. We found data, usable data from the states of Alabama, Arizona, Colorado, Kansas, Texas, and Virginia. Some of this data was partial in some respects so either didn't cover the whole period or didn't cover managing brokers and brokers in the same way. We compared the pass rates graphically. This is a fairly simple approach but we don't have the raw data so we couldn't really do any careful statistical analysis. But I think the graphic analysis is pretty revealing. So I think what we've found will be of interest to you. One note, most, if not all other states use different terminology from what we use in Washington. Generally, brokers are referred to as sales persons and managing brokers are referred to as brokers. And I'm just using the Washington terminology here in this presentation, even though that's not the terminology that these other states use.

(00:34:16):

So here's the most interesting piece of data that I have to show to you. These are the managing broker exam pass rates, combined national estate exams for those states. And as I mentioned, we don't have good data for all years, but we do have data from these states for most of the years in question. And the Washington results have the square blocks so you can easily see which is Washington. On this graph, as you can see at the beginning of the period, Washington was there in the middle of the mix, but it

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Steven Bourassa (00:35:03):

They're in the middle of the mix, but it gradually fell below and pretty dramatically. By 2022, the other states appear to be declining somewhat, but nothing like what happened in Washington. It seems pretty clear that something different is going on in Washington from what has been happening in these other states. When we look at the broker exam pass rates, we see again a decline in Washington, but the other states are also declining at more or less the same rate, it appears. There doesn't seem to be anything particularly out of the ordinary with regard to the broker exam pass rates, at least in comparison to the pass rates in these other states.

(00:35:57):

To sum up, the managing broker pass rate has declined quite a bit more in Washington, and as I mentioned earlier, it was about 25 percentage points in Washington, between 2018 and 2022, on average, only six percentage points in those other states for which we were able to obtain data.

(00:36:22):

In contrast, the broker pass rate has declined at about the same rate in Washington as in the other states we looked at. This suggests that there's a significant problem with the managing broker exam. It may not be any surprise to you at all, but I think we verified that this is not something that is happening in other states. We don't know exactly what the problem is. I think there's some ideas about what it might be. This data that we had doesn't enable us to identify specifically what the problem is, however. Finally, I just wanted to give you a real quick update about what our research center is doing. This is going to be really fast, but as I think most of you know, we have for many years been producing housing market reports and apartment market reports for the Department of Licensing.

(00:37:23):

For a smaller number of years, we've been producing a series of other reports related to planning for affordable housing for the Department of Commerce. We've been working ever since I took over a year ago. We've been working to upgrade the data that we produce for both the Department of Licensing and the Department of Commerce.

(00:37:44):

In particular, we've completely redesigned the apartment market report and updated it, and we're now producing that on a quarterly rather than a semi-annual basis, and we're now working on updating the quarterly housing market report. This is much more complicated task, but we hope to have something early next year.

(00:38:05):

We're also in collaboration with the Department of Commerce. We plan to make much of our data available, including the data that we produce for the Department of Licensing, in a user-friendly dashboard format on our website. What this means is someone who wants to just come in and see what's going on and say, "Snohomish County" can just make a few clicks on the dashboard and get the data they want. They don't have to hunt around for various reports in PDF form located in different parts of our website. They can just go straight to the data they want much more quickly.

(00:38:47):

Another thing we're planning to do is to launch a new annual report, which will come out starting next autumn. We're going to call it the State of the State's housing, and this is going to draw on much of the data that we produce for both the Department of Licensing and the Department of Commerce as well as other sources. This is, I think, going to be a really interesting use of the data that hopefully will be of broad interest to different groups within the state, including realtors, legislators, anybody who's interested in what's going on in the housing market.

(00:39:28):

Another thing, we've hired a full-time associate director, Mason Virant, who's really going to help us achieve all the things we're trying to do, and we're also expanding into other areas of research such as, say we're doing a project now for Challenge Seattle on Transit-Oriented Development and Affordable Housing, which is aimed mainly at the state legislature who have been considering TOD legislation recently, but they haven't actually been able to pass anything. We're hoping this may help with that effort.

(00:40:08):

This is our staff, myself, Mason Virant. We currently have one graduate research assistant, Jade Kim. Jade did all the data collection for the report that I presented to you earlier.

(00:40:21):

That's the end of my report and I will stop sharing the screen now... if I can figure out how to do that. Stop sharing, there we go. Happy to take any questions.

Eddie chang (00:40:43):

All right, thank you. Wendy Price has her head raised, but this is for commissioners right now. As a member of the public, you have an opportunity for a comment at the end of the meeting. I will thank you for raising your hand. Sabrina, go ahead.

Sabrina Jones-Schroeder (00:41:08):

Sorry, a question, a comment, and I guess another question. The question about the data that you presented on the pass rates, are those other states PSI vendor states? Do we know?

Steven Bourassa (00:41:21):

Not necessarily. I would have to check. I can't say exactly off the top of my head which ones are, but I don't think they all are.

Sabrina Jones-Schroeder (00:41:32):

Okay. That could be instructive or not. I don't know. I think our [inaudible 00:41:40] are with PSI and the state, their exam, and what have you, so I don't know. I guess I would ask the other commissioners if that's a piece of this data that we would consider important.

Shelly (00:41:54):

Yes, I would love to see a comparison with states that use PSI.

Steven Bourassa (00:42:05):

Okay. Well, let me check and I'll send that information to Sandy, and then if there's some further analysis that seems like it would be worthwhile based on the answer to the question, we can do that.

Sabrina Jones-Schroeder (00:42:25):

Super. Thank you. Then my comment/question is, it will be interesting as you move forward with now more frequent updates on the state of housing, and then I'm interested in your autumn report, the state of the state's housing. As you know, last year there was quite a bit of legislation passed that in theory should help our state with the lack of housing issue that we have.

(00:42:54):

Do you feel that the reporting that you'll be able to do, will you be able to somehow find the nexus between the legislation that's been adopted and new housing that's brought online? Will your group be able to assess whether adopted legislation is helping to drive additional housing? That was certainly the goal. Will you and your folks be able to assess, "Yay, goal achieved," and that legislation actually helped or not?

Steven Bourassa (00:43:31):

Yeah, that's the other type of thing that I was referring to, but it wasn't specific about that we hope to be able to address in this report. The contract we have with the Department of Commerce actually requires us to submit periodic reports to the legislature, and this report is going to serve that purpose. We're definitely going to be focusing on things that we think the legislature will be interested in, but it's also, as I said, going to be designed in a way to appeal to a broader audience. So, yes, in answer to your question.

Eddie chang (00:44:13):

Thank you. Casey?

Casey (00:44:17):

Thanks, Steve. Really appreciate it. I think this information is very helpful for us knowing if PSI, which states they have, is going to be beneficial for us to keep focused on where we might have some issues and find out where these issues are coming from. Appreciate that. I also just want to know, really appreciate the multifamily research you guys do for the state. It's very helpful for us and it's great what you guys are doing. Thank you.

Eddie chang (00:44:53):

Any other commissioners?... Hearing none. Thank you so much for your time.

Steven Bourassa (00:45:04):

Eddie, do I need to stay on this call to answer questions later or should I drop off?

Eddie chang (00:45:09):

You can drop off. You are more than welcome to stay though.

Steven Bourassa (00:45:13):

Okay. I think I'll drop off.

Eddie chang (00:45:16):

Okay. Thank you.

Steven Bourassa (00:45:17):

Thank you. Okay. Bye.

Eddie chang (00:45:20):

Okay, on to new business. Am I taking this one, or are you, Sandy?

Sandy (00:45:30):

You can go ahead and take it. If you'd like me to, I can also do a brief report out on this.

Eddie chang (00:45:37):

Yeah, why don't you give us a brief report?

Sandy (00:45:41):

Great. At this time the Commission was talking about creating a record-keeping subcommittee. This subcommittee's focus would be to review the real estate record-keeping statute and to determine whether updated definitions or additional clarification is needed. This came about in one of our other subcommittee work.

(00:46:05):

At this time, I would like to present it to the Commission. Would you like to create this subcommittee? If so, we could have up to three members. This would be a one-year subcommittee, and if we have any volunteers or any discussion about this subject, that would be very helpful. Sabrina?

Sabrina Jones-Schroeder (00:46:42):

I am glad this came up in a different subcommittee. I'm pretty sure I was at that meeting. I would volunteer to serve on this subcommittee. I think record-keeping from the designated broker standpoint is just an ongoing issue, especially with regard to the material communications piece. It's like pulling teeth, trying to get licensees to turn into the firm material communications.

(00:47:13):

To the extent the subcommittee could kind of dig into that and clarify the administrative law judge's ruling, that has led to the department looking for things that are really difficult sometimes to get from licensees. I'm thrilled to serve on this subcommittee and help with this.

Eddie chang (00:47:37):

Okay. Shelly?

Shelly (00:47:38):

I'll just say I'm happy to serve on the subcommittee also. However, if we do have four that want to serve, I can also step aside too. But, yeah, I think this is just like what Sabrina said. I think there are just a few topics that we just need clarification on and to address

Eddie chang (00:47:58):

Okay kc.

Casey (00:48:04):

Yeah, I would be more than happy to serve on it with the agency law changes we have. I'd love to give my opinion based on some of the commercial requirements mostly, I mean how leasing fits into it. That's a big part of our business, so I'd love to be a part of it.

Eddie chang (00:48:20):

Thank you. I was going to ask you anyways, because we want to make sure the commercials were presented in this. Okay. We need a motion on the subcommittee.

Sabrina Jones-Schroeder (00:48:36):

I move that we create a subcommittee to look at the issue of record keeping.

Eddie chang (00:48:43):

We need the members appointed on that as well.

Sabrina Jones-Schroeder (00:48:48):

With myself, Commissioner Jones- Schroeder, Commissioner Brazil, and Commissioner Schmidt to be appointed. Unless our new commissioner, Mr. Bruce Jones, wants to jump in and get his feet wet on a subcommittee. Before I finish my motion, let's throw that out there.

Bruce Jones (00:49:08):

I'm a total team player and willing to help everywhere I can, but it looks like you have three pretty experienced people on this topic.

Eddie chang (00:49:19):

Before we go into that, we are going into the new calendar year. We should reappoint education and team names as well. Would you guys prefer to appoint this now and move on to do that later, or do you want to get a roster set for all of the subcommittees and then do them as a slate to make sure everybody gets to participate where they want to participate?

Sabrina Jones-Schroeder (00:49:44):

That makes sense. I remove my motion.

Eddie chang (00:49:47):

Okay. Yeah, it is a little bit out of order for the agenda, but that's okay. How about names for the education subcommittee for next year?

Sabrina Jones-Schroeder (00:49:58):

You are out of order. Sorry, I've just always wanted to say that.

Eddie chang (00:50:00):

Shelly?

Shelly (00:50:08):

Would like to stay on the education subcommittee.

Eddie chang (00:50:16):

Anybody else want to be there?

Sabrina Jones-Schroeder (00:50:18):

Yeah, I'm willing to serve on that again.

Casey (00:50:21):

Yeah, I'd be happy to. Also, I guess with where we are in some of these subcommittees, my question would be, by switching them up now, are we going backwards a little bit with a lot of the progress we've made in those meetings? Just keep that in mind.

Sabrina Jones-Schroeder (00:50:47):

And then the other one is the team names, right?

Eddie chang (00:50:49):

Team names. That one, I would like to volunteer on that one.

Sabrina Jones-Schroeder (00:50:55):

Are you already on it, Eddie?

Eddie chang (00:50:57):

I was filling in for Shari Song.

Sabrina Jones-Schroeder (00:51:06):

Who were the other two on that one?

Shelly (00:51:08):

I'm on it. This is Commissioner Schmitz. I would like to stay as alert. We've had so much discussion already regards to that.

Sandy (00:51:25):

Commissioner Fabiola Macias was also on this subcommittee. Since she is absent today, I feel that if someone else would like to step into this space, this would be a perfect time to do this as well.

Bruce Jones (00:51:41):

I hope I'm not out of order, but again, I would love to help. I'm a little concerned that they've had a team together that maybe has a lot of work done, and I'd hate to upset the apple cart, so to speak. But, yeah, anywhere I can fit in, just put me there.

Eddie chang (00:52:05):

What are you passionate about?

Bruce Jones (00:52:07):

I'm sorry?

Eddie chang (00:52:08):

Which one of these committees are you passionate about?

Bruce Jones (00:52:12):

Well, to be honest with you, first meeting, just team names is a great topic. That's going to be a big thing coming up in next year, so that would be a good one also.

Sabrina Jones-Schroeder (00:52:28):

Are we also looking at the subcommittees of the two legislative bills that we're meeting to discuss, 5191 and... I'm sorry, I can't remember the other one. Do we need to reappoint those as well?

Eddie chang (00:52:39):

We don't. One of them should be completed and the other one will get done again possibly later, but it's just really the three standing subcommittees.

Sabrina Jones-Schroeder (00:52:50):

All right. Then now I will make my motion to appoint the subcommittees moving forward. Record keeping with... I'm sorry. I'm just going to use first names because I know you all can fix that, but with the committee members, Sabrina, Casey, Shelley, education Subcommittee Shelley, Casey, Sabrina, and Team Names subcommittee, Eddie, Shelley, and Keith.

Eddie chang (00:53:17):

Do we have a second?

Shelly (00:53:19):

Hang on. This is Commissioner Schmitz. Because I'm on three, I don't want to be greedy, so if there is somebody that would like to do the record keeping one, I'm happy to step aside.

Eddie chang (00:53:43):

I am not a designated broker, so I will not add up anything of value to that subcommittee.

Casey (00:53:50):

Keith, you run your own business, correct?

Keith (00:53:53):

That is correct.

Eddie chang (00:53:55):

I think you'd probably be a great addition for that.

Keith (00:53:59):

Let's go. I'm ready.

Eddie chang (00:54:05):

Awesome.

Sabrina Jones-Schroeder (00:54:07):

All right. I amend my motion to the record keeping subcommittee would be Sabrina, Casey, Keith.

Eddie chang (00:54:13):

Perfect. Do we have a second?

Shelly (00:54:16):

I second.

Eddie chang (00:54:18):

Any discussion on the motion? There are no discussion. All in favor?

Sabrina Jones-Schroeder (00:54:27):

Aye.

Shelly (00:54:27):

Aye.

Eddie chang (00:54:29):

All opposed?... Motion carries. Thank you for getting everybody assigned for the new subcommittees and creating the record-keeping subcommittee. So, Sandy, let's move on to the calendar review.

Sandy (00:54:52):

That's me. I just had to unmute. I apologize for that.

(00:54:57):

Each year staff puts together a proposal for the schedule. This is something that we want to provide to the commission for review. We are proposing February 15th, May 16th, August 15th, and November 14th for the regular commission meetings continuing to start at 10 A.M. We do have efforts to have an in-person meeting. I heard somebody mention that earlier. Our goal is to have at least one, hopefully during the summer months just because it's easiest for travel. That's sort of our intention. If you have any discussion, this is a good time for it, but it will need a motion and a vote.

Eddie chang (00:55:57):

When we get our motion, and then we'll have discussion on it.

Sabrina Jones-Schroeder (00:56:03):

This is Commissioner Jones-Schroeder. Move to approve those four meeting dates for 2024.

Eddie chang (00:56:09):

Second?

Shelly (00:56:11):

I second.

Eddie chang (00:56:13):

Any discussion on the dates?

Sabrina Jones-Schroeder (00:56:17):

I just want to go on record as saying I really, really, really strongly encourage an in-person meeting, and from my perspective, it could be the May or the August meeting, but it is time to get back to an in-person meeting. Frankly, I would love for all of them to be in-person, but we need to have at least one in-person meeting in 2024.

Sandy (00:56:42):

Okay, noted.

Eddie chang (00:56:52):

Hearing no more discussion, all in favor?

Sabrina Jones-Schroeder (00:56:55):

Aye.

Shelly (00:56:57):

Aye.

Eddie chang (00:56:58):

All opposed?... Okay, motion passes.

(00:57:04):

At this point, the chair would like to turn the floor over to Commissioner Jones-Schroeder to lead the discussion about licensed transaction coordinators.

Sabrina Jones-Schroeder (00:57:17):

Thank you, Commissioner Chang. This is an issue that is rearing its head in our industry, not dissimilar from teams became popular at some point, and so it became an issue that was addressed in the 2010 license law changes, updates. This is the newest issue.

(00:57:49):

We have transaction coordinators and as Annie Fitzsimmons, who's a Washington Realty legal hotline attorney has said, she'll ask in a class, is there any such thing as a license transaction coordinator? In the answer is no. That is not a separately licensed position. So what we have are unlicensed folks acting as transaction coordinators fine. They should abide by licensing laws and rules, knowing what they can and cannot do for the licensee for whom they might be working. Not much of a concern there. I think the only concern would be if they are in fact acting outside of the scope of what they can do if they don't have a license.

(00:58:34):

The larger concern, the larger issue are these licensed transaction coordinators, which again, that's really a misnomer. The larger issue are licensees, brokers who are licensed to a firm but acting as a transaction coordinator for other licensees. If those other licensees are within the same firm, again, probably no concerns there.

(00:59:05):

I'll use this example, Shelly is the designated broker of her office. If one of her brokers wants to offer transaction coordinating services to other brokers within her office, Shelley's in charge of all of them as the designated broker. In terms of record keeping, in terms of representation that can be dealt with within a firm, I think effectively and easily.

(00:59:29):

Again, the major concern and heartburn that I know I have as a designated broker is if one of my brokers goes out and hires a licensee who's offering transaction coordinating services, but they are licensed to a different firm.

(00:59:46):

We have all sorts of problems. Record keeping, should records be kept at my firm where the transaction is being done? But if that licensed transaction coordinator is helping with records, should they also be maintained at Shelley's firm where her licensee is providing those transaction coordinating services to the broker that's in my firm, who has oversight for this licensee acting as a transaction coordinator.

(01:00:14):

I don't. They're not licensed to my firm. Does Shelley? She does. They're licensed to her firm, but that transaction coordinator is working on a transaction that isn't within her firm.

(01:00:25):

I think we can all agree, we see the issues, we see the concerns, and it's happening. There are licensees acting as transaction coordinators for other licensees. As I've heard Annie speaking about it in her classes, she's saying flat out it shouldn't be happening. It's a violation, and you just would look around the room and see the eyes get wide and you can tell who's using transaction coordinators licensed to other firms.

(01:00:55):

So it's an issue. I don't know if this just requires the DOL to come out with an opinion, a clarification, but it's an issue and it is not clear to our industry what a licensee should or should not be doing with regard to hiring another licensee, licensed to a different firm to perform those transaction coordinating services.

(01:01:17):

I hope that covers it. I would certainly welcome any of the other commissioners to add to those concerns or clarify any concerns that they might have.

(01:01:29):

The one last thing I'd say, just in terms of an additional concern, just an anecdotal issue, I have had a bro-- I was talking about this with another designated broker. He had a licensee in his office who had a transaction with a broker in another office who was using a transaction coordinator. That transaction coordinator was telling his broker, "Well, we need to use this form," and was dictating a form that should be used.

(01:02:02):

This is the kind of problem is these transaction coordinators who want to suggest how the business should be conducted. It feels a little wild, wild west, and who's responsible for that? So that's the concern. And again, I'm done if anyone has any further comments, thoughts, concerns. Thank you.

Shelly (01:02:20):

This is Commissioner Schmitz. Thank you, Sabrina. Because it is... We just don't have guidelines. Right now it's just hard to tell how to handle these. I would say probably many transactions go just fine and life is good, but it's when we come into situations that we just have no guideline on how to handle it.

(01:02:45):

The other thing with that scenario would be any transaction coordinating services that are trying to stand alone. They're either their own maybe little brokerage, so how does that go? Or there's a group, they all hang their license with one brokerage, but they're doing, I'll call it TC work throughout the whole state. They've got quite the volume that just enhances running into a situation. There's just so many layers to this that I think a deep discussion with this is definitely needed, and especially with Department of Licensing helping us guide us on this discussion as to:

(01:03:44):

What avenue do we even start? How do we look at this? In a sense, it sounds so simple until you start going through those layers and then it's like, "Ah, this is now not that simple of a discussion at times."

(01:04:02):

I think this is well needed. I'll have an update regarding the team names, assume names, subcommittee, but just to link it together. Part of our discussion too is when it comes to teams and potentially what is the team, what is their role? So many teams have transaction coordinators and sometimes these transaction coordinators are working throughout the state, and that's why I'm saying that as I'm listening to everything and thinking it through, it's not a simple discussion.

Sabrina Jones-Schroeder (01:04:52):

I'm not entirely sure that it necessarily rises to the level of its own subcommittee. I guess my thought suggestion would be, again, subject to what the other commissioners think. If there feels to be a need for subcommittee discussion, I wonder if it could be added to the team name subcommittee, team name/transaction coordinator, which then makes me sad that I'm not on that subcommittee, but I don't even know if it... I wonder if it starts with having investigation in audit department or investigation in audit division of Department of Licensing. Just put this on their plate to say, what do you all think? Is this an issue? If so, what needs to be done about it?

Sandy (01:05:41):

I think this is a really great place for me to step in and say, it's a really great idea to add this to the team names subcommittee. Once we can get that subcommittee to really research this idea and the issues surrounding it, then we can work on it at a more intense level.

Shelly (01:06:09):

Is there a way to... Can the subcommittee have people assist them with fact finding? My question is, can we pull Sabrina in to help us on this piece? I don't know how this all works. I'm still a little bit-

Eddie chang (01:06:34):

We cannot have more than three commissioners in our room because it'll be subject to OPMA, so we would not be able to do that. She can provide feedback and information via email and things like that, but we cannot have three people in the same room together, more than three.

Shelly (01:06:57):

But she can provide feedback.

Eddie chang (01:07:00):

Yes.

Shelly (01:07:02):

So if the subcommittee meets and then if there's like, "Oh, it would be good to know A, B, and C," we could reach out to Sabrina and say, "Here's what we discussed. Could you help assist with this and give us feedback on what you find?"

Debra (01:07:24):

That's a pretty gray area, so it needs to stay-

Eddie chang (01:07:33):

Can we let Debra talk? I think she's about to speak on that. Debra?... You're muted.

Debra (01:07:45):

Can you hear me now?

Eddie chang (01:07:46):

Yes.

Debra (01:07:48):

Okay, thank you. We're testing out technology and so sorry for some of the delays here. That is a really great question, Sabrina, about how you can provide input, but here's the problem. As soon as you do that, what we have is then a split quorum. So her providing information to a subcommittee could potentially open us up to an OPMA violation, which we would not want.

(01:08:14):

What can happen in terms of input is that after the subcommittee brings it back to the entire commission, then there would be the opportunity for commissioner input at that time in a public open meeting. Does that help to clarify?

Shelly (01:08:31):

Mm-hmm, yes.

Debra (01:08:32):

I'm sorry if we disappointed you, Sabrina, you can't be on all of the subcommittees, but you will have an opportunity.

Eddie chang (01:08:45):

For my viewpoint of this, and this is a topic I've been thinking about for quite a while, since Annie Fitzsimmons brought it up. For most times you're not going to have an issue, but when there is an issue, there's going to be a big issue.

(01:09:05):

There seems like two major paths to go. One would be to not allow it, which would then fill some business models, which is not something that I'm a fan of doing, is allowing, restricting what business models can exist or not. On the other one is to do something completely different.

(01:09:26):

I would be fine... I would probably tend to support having a different subcommittee talking about the transaction coordinator because I do see tie-ins to the team names one, but a lot of the topic on that is actually going to be a little bit different. And on the team names one we're going to see, that's probably going to go down a path of having some type of agency sponsor legislation. I don't know if that's going to be the case for licensed transactions because of how this con-

PART 2 OF 4 ENDS [01:10:04]

Eddie chang (01:10:03):

... be the case for license transactions because of the different directions the conversation could go. If it does tie into agency legislation, it can be tacked on on the legislative side without having to be done in the same subcommittee. So I would propose that we just create a subcommittee for the transaction coordinator because there are some holistic, big view ideas of how this might go and what direction we would recommend. And I would recommend that we do a subcommittee on that to make sure that we get the overall ideas going in the right direction. Keith, I think you were about to say something? You're muted.

Keith Bruce-Jones (01:10:55):

I didn't hear any Fitzsimmons comments on this. Is there anyone that could summarize what she said and her ideas or her thoughts on it, why she had a problem with it?

Eddie chang (01:11:10):

Go, Sabrina. You were... yeah, go.

Sabrina Jones-Schroeder (01:11:12):

Right. This is Commissioner Jones-Schroeder. Just what I said in my presentation of the concerns, the concerns being if Shelly has a licensee in her office who is offering transaction coordinating services to a licensee in my office on a transaction that my licensee is conducting, and that transaction coordinator is doing things for which they need a license, they're reaching out to my client, they are preparing legal documents on behalf of my client. Who's responsible for record keeping, who's responsible for oversight?

(01:11:47):

And as Eddie said, probably ninety-nine percent of the time, and Shelly said this, this is a non-issue. The TC does their job, everyone's happy, and there's not a problem. But when there is a problem, when there's a violation of a confidence or whatever the case might be, let me complicate it further and let's just say that my licensee represents the buyer, but the seller of the property my licensee is buying is in Shelly's office. Is there now a dual agency issue? It becomes very complicated, right? And so Annie's concerns are with regard to record keeping and oversight in a nutshell, right?

Keith Bruce-Jones (01:12:36):

Okay. I know of a few transaction coordinators that work for different companies, but they help out people that worked at another larger firm. And to me anyway, managing people like that in the forms, it seems like it was still ultimately the brokerage and designated broker's responsibility to ensure everything was done correctly, because not every firm is going to use the same forms or formats. So to me, I guess it seems like we're making more of a bigger issue than really need be for this, but I tend to oversimplify things.

Eddie chang (01:13:19):

Well, as a hypothetical, let's say you have somebody in your office that is a licensed coordinator doing a file on behalf of somebody in Shelly's office. Your licensed assistant then drafts up a 35-R, but screws up the language in the 35-R and basically misses some obligations or stuff like that. And it gets signed. The buyers get upset and they sue both the brokerages and licenses and everybody involved regarding what went wrong with the form. Who's responsible? What's going on? As a DB of your licensed assistant up there, you don't actually have... it's not your file.

(01:14:15):

The file belongs to the other broker or the brokerage, but your licensed assistant's the one that drafted that document, so how much oversight and how much responsibility do you have to that? Do you have any right to even oversee them on that? Because the file doesn't belong to your brokerage, it belongs to the other brokerage. Or should that file belong to both brokerages? All of these things are complications that happen because of the fact that the licensed assistant transaction coordinator is in a different firm.

Keith Bruce-Jones (01:14:48):

And probably... I hope I didn't cut anybody off, but I would never have a transaction coordinator adopt or draft any language like that. That would have to be on the broker. But again, that's the world I live in.

Sabrina Jones-Schroeder (01:15:06):

But they are doing it. That is why a licensee hires a licensed transaction coordinator is because they're licensed to do that. That's the benefit, right? Is they can draft that 35-R. That was an excellent example. And to your point, Keith, we could overly simplify this because I am responsible for my broker and everything they do. And so I could, as a designated broker, say, "No licensees within my office may hire a transaction coordinator licensed to another office." I could just make that decision because I recognize the oversight concerns, the record-keeping concerns, et cetera, and that there would be a licensee in another firm with access to my transaction documents on a transaction that... do they owe the duty of confidentiality to my client?

(01:16:02):

I don't know. Maybe they do, maybe they don't under the agency law. So sure, we could simplify that and say that that's a broker decision, but it's a new business model that the licensing law and the administrative code just doesn't really address in any fashion. Okay. I move that we set up a separate... sorry, staff. I'm so sorry, staff. I tried. This is Commissioner Jones-Schroeder-

Shelly Schmitz (01:16:31):

It's what we're here for.

Sabrina Jones-Schroeder (01:16:33):

I know, right? I move that we create a new subcommittee for transaction coordinators, and I would like to serve on that committee with Shelly and raise a hand. Eddie or Keith, do one of you want to serve on that?

Keith Bruce-Jones (01:16:59):

Sure.

Sabrina Jones-Schroeder (01:16:59):

My motion is to create a new transaction coordinator subcommittee with myself, Shelly, and Keith.

Eddie chang (01:17:09):

Seconds.

Shelly Schmitz (01:17:11):

I second. Commissioner Schmitz, sorry.

Eddie chang (01:17:15):

Any discussion? I just want to say before we vote that I appreciate Keith stepping in on this as a different viewpoint to make sure that we have great discussion is having different viewpoints. So hearing no other discussion, all in favor?

Shelly Schmitz (01:17:38):

Aye.

Eddie chang (01:17:42):

Did you have a question, or is that voting, Keith?

Keith Bruce-Jones (01:17:45):

Voting.

Eddie chang (01:17:46):

Voting, perfect. All opposed? Motion carries. All right. We already did the subcommittee membership portion, so let's move on to section eight. Who's reporting out on education?

Sandra Baur (01:18:10):

First up, we have Commissioner Jones-Schroeder, who is going to be reporting out from the education subcommittee.

Sabrina Jones-Schroeder (01:18:18):

Thank you. So we have had some really great meetings. I'm very pleased with the work that the education subcommittee has been doing. We are at the ready to address the PSI test issue. We appreciate the work that staff is doing with regard to registration procedures and what-have-you. And again, we're at the ready to help in whatever fashion we can with regard to the concerns with the test itself, the pass rates, the education leading up to the test, et cetera. So I guess we stand by on that waiting for staff to let us know what we can do to help with that. The core... Deborah?

Deborah Allenbaugh (01:19:07):

Thanks, Sabrina. I was just going to put it out there, and I'm sorry I didn't have an opportunity to jump in before when this came up, but I think in terms of the testing, I just want to remind the commission that the tests that PSI administers are all from ARILO. Those are the national examination, not the state one. The state examination was actually, with the assistance of PSI, created based on the Washington state laws and rules.

(01:19:39):

So I think when we are looking at it, it's really important to remember that we're looking at the difference between the national and the state examination. I think where this subcommittee can really do some good, and I would be happy to help on this, is if we can dig in and look at the curriculum for pre-education, for pre-exam, and look at how we can increase that. I don't think we have looked at the curriculum in a very long time, and this would be an area that we could get the most impact for our candidates and our licensees. So, sorry to interrupt.

Sabrina Jones-Schroeder (01:20:18):

No, no, that's great feedback. And we actually have started that conversation in looking at what is our curriculum, which is why we had posed to the Washington Center for Real Estate Research the curious question of, are there education providers in this state who are showing a higher pass rate, and if so, what is it they're doing to prepare their candidates better for that managing broker license? So it was a bit disappointing to hear that they didn't get enough data to really be able to suss that out. But yes, you're correct, and that is something that we're looking at to the extent that the national portion of the exam, you're right, ARILO-based, and it's concepts that really haven't changed. That part of the exam prep, the curriculum leading up to, probably doesn't need much of a brush-up. An acre is still 43,560 square feet.

(01:21:20):

But maybe there are things with regard to Washington state law or whatever else that we have not updated the curriculum. So I appreciate that and I think we can take that back to our next subcommittee meeting. As you all know, we released the core curriculum. I personally teach the core, so I'm in the process of writing the core, and I just noticed that a couple of things in the core are incorrect in what we put out there because when we were writing it and presenting it to the commission for approval with regard to the agency law revisions, the law had not passed. It was still in its proposed phase. So there's a couple of things that I personally noted writing the class that I'm like, "Uh-oh," so we're going to be in contact with Tim about that. Just for those of you who might be writing it specifically, it alludes to a default time period of representation, 180 days, and the legislation that was actually adopted, the default representation is 60.

(01:22:26):

So that just popped right out at me that, "Oops. Uh-oh, that was a miss." So we're going to make sure that Tim... I will email Sandy, Sandra, and Tim and let them know. There's only a couple, it's not like there's a lot that is incorrect, but there's a couple and we'll make sure to get out through the education providers that they know what they need to address on that. Two additional issues that came up specifically with regard to education, and I had brought this up when I very first joined the commission, and I don't even know when I'm done, but I think I might be done in a year or two. So I've decided to bring up the concept again and that that instructors, in my opinion, should be able to get continuing education credit to the extent that they are also licensees as they prepare and teach a class.

(01:23:17):

So I am a member, an inactive member, of the Washington Bar Association, and when I taught a continuing legal education class, the bar gave me the equivalent amount of hours for teaching the class towards my continuing legal education credits. And the theory here is if... I'll just take the core curriculum again as the example. As the instructor, I'm going to spend hours and hours writing the class. I will then teach the class. Because I teach it for Spokane Realtors every other month or so, I will teach that class 12 times over the course of that two-year curriculum. But I, as a managing brokerage licensee, have to go take the class from another education provider because I need that class to renew my license. And that just seems a little silly because anyone who is teaching a class, obviously, they've got some level of mastery of that class that they're teaching.

(01:24:24):

So I would propose that we work with staff to figure out a way that education providers can get continuing ed credit for any class that they teach, just once during their renewal period. So that topic came up. The other topic that came up, and this one is a little more work for staff, again, I'm sorry, but the Idaho Real Estate Commission is the central database for a licensee's education credits. So any education provider in the state of Idaho has to submit continuing education credits for any attendees to their class to the Idaho Real Estate Commission. So whether I take a class from a title company in Idaho, from Coeur d'Alene Association Realtors, from Spokane Realtors during the forum, credits are sent to the Idaho Real Estate Commission. So there's a centralized database where I can go and see where am I on my continuing education credits.

(01:25:31):

I think that is a tremendous tool, service provided by the Idaho Real Estate Commission to their licensees, and I would love to see us consider if that is anything that we can do. I totally understand there may be fewer licensees and this is a huge job, but I think it's something that could be a definite member licensee added service. And we'll discuss those further with Tim at the next subcommittee. Not necessarily education related: we discussed best practices on renewing fingerprints and letters of intent for commercial brokers and a couple of other issues that come up elsewhere. So that's it. That's the education subcommittee report out, and I welcome any questions, thoughts, or concerns. Did anyone else end up with a weird screen in the upper left-hand corner that now we're all sitting in an auditorium?

Shelly Schmitz (01:26:42):

Yeah, so I had to flip my view back.

Sabrina Jones-Schroeder (01:26:46):

How do we do that?

Shelly Schmitz (01:26:48):

Do you see up... for me, it's up in the right. It says view. It's kind of near where you raise your hand.

Sabrina Jones-Schroeder (01:26:54):

Got it. Thank you.

Shelly Schmitz (01:26:55):

Click view, do large gallery or whatever you want.

Sabrina Jones-Schroeder (01:26:58):

Thank you. Yep.

Eddie chang (01:27:00):

I would just comment that... I've said this previously. I would still encourage if we can do it as have at least people on the education subcommittee be able to take the test audit through PSI just so they know what's on the test, because it's a lot easier to have these conversations if there's experience on it. Whereas most of this commission took this test years ago, and have no idea what's even going on on it.

Sabrina Jones-Schroeder (01:27:29):

Well, that's easy for you to say, Commissioner Chang, you're not on the subcommittee and you don't have to go take it.

Eddie chang (01:27:34):

Oh, I would go take it, too. I would be more than happy to take it and give my thoughts on it, but I don't know what the test looks like anymore.

Sabrina Jones-Schroeder (01:27:43):

You volunteer as tribute, you'll take my place?

Eddie chang (01:27:45):

Absolutely. Moving on, let's do team names. And just as a reminder to all the report outs, we have thirty-two minutes left to get through the rest of the agenda, so if we can make this snappy, that'd be greatly appreciated.

Shelly Schmitz (01:27:59):

Hey, I'm the perfect person for that.

Eddie chang (01:28:01):

Perfect. Let's go.

Shelly Schmitz (01:28:03):

Well, this is Commissioner Schmitz, and I'm reporting on the team names Managing Rural Coordinating Subcommittee. And first, I want to thank Eddie for stepping onto the committee as Sherry had left as a commissioner, and then the initial discussion with the subcommittee was talking about the RCW and WACs that apply to the topics. And as we were looking through that, having the discussions, talking about team names, managing broker names, assumed names, the roles within that, defining all these terms, what we realized is that we were starting in the middle of our discussion, that this is really going to start on a legislative end.

(01:28:56):

So we are trying to schedule the person from Department of Licensing that can come and speak to the subcommittee to let us know, how does that piece of it, the legislative piece, start? Once we've had that, we do know that we'll have to go get all of the facts here, different perspectives on the different pieces, and then go down that legislative route. So we believe right now looking at it, 2024 will be the year to... I'll call it our fact-finding and listening, having listening sessions on it. And then 2025 will be more when we start on the legislature piece, so this is years out. This is not going to be something quick, but we have already started the discussion and are starting to compile things. That's pretty much the meat of my subcommittee.

Eddie chang (01:30:07):

Any questions or comments from commissioners? Okay, hearing none, let's 5191 update.

Sandra Baur (01:30:20):

All right, so we have Administrator Bill Dutra who's going to step in this space really quick and give an update.

Bill Dutra (01:30:27):

And in the spirit of Eddie Chang's comment, the Department of Licensing has decided at this time to discontinue any further conversations or discussions regarding Senate bill 5191 as it relates to rule-making to defined reasonably practical in the statute or in the law. We will pick up this conversation or we'll re-engage with this conversation in 2024. And that is our update for Senate bill 5191. Thank you.

Eddie chang (01:30:59):

Questions, comments? Okay. Senate bill 5399?

Sandra Baur (01:31:08):

All right. I am happy to say that the recruitment for the management analyst is currently active on careers.wa.gov. That job announcement closes on the 19th, and then the interview process will start. Due to the Thanksgiving holiday, that's going to take out a chunk of interview time. So we expect this new hire to start on or about December 16th. Once we get that management analyst on board, we can start scheduling regular meetings with the subcommittee moving forward to get this report done.

Eddie chang (01:31:48):

Thank you. Questions, comments? All right, hearing none, let's move on to finance office reports.

Sandra Baur (01:31:59):

All right, so we have been asked to provide a year-end budget review. So simplified, we have our revenue and we have our expenditures, so for the budget years 2021 through 2023, just over $17,000 in revenue and just over $12,000 in expenditures. Based on that, we have done a little projection for the '23-'25 biennium. So our projected revenue again will be just over $17,000, and our projected expenditures will be almost $16,000. So we're projecting the increases in expenditures due to the new legislation that passed and then the increased cost of doing business. With that, I'm happy to answer any questions.

Sabrina Jones-Schroeder (01:33:01):

This is Commissioner Jones-Schroeder. Just one major question. What happens to the profit? It appears that there's $5,000... sorry, $5 million in profit, money left over between revenue and expenditures, and a projected $1,400 projected between 2023, '25. What happens to that... I'll call it profit? I know we don't probably call it profit in the public sector, but what happens to that? Where is it? What's it being used for, et cetera?

Sandra Baur (01:33:39):

That's a great question. I don't have those answers. I just have the raw data in front of me. I can definitely get with our budget office and I can bring some clarity during that for the next meeting.

Eddie chang (01:34:05):

As a quick note to our new commissioner, as a commission, we have no oversight or control over the budget. This is just for our information. So with that, any questions or comments regarding the finance officer reports?

Sabrina Jones-Schroeder (01:34:27):

And I guess just to clarify, the reason I'm asking is not because I think I have any kind of control over that, but in years past, and I'm talking years and years past, where there was an operating reserve within the department, I just remember conversations about the legislature clawing back funds to put towards other projects. So if we have over... if we're... I don't want to say we're overcharging our members, that's not what I mean. If there are other services that we can provide, if our licenses are paying these licensing fees, firms are paying fees, brokers, designated brokers, et cetera, and there appears to be a quote-unquote "profit," perhaps there are other services we could be providing, staff we could be hiring to have a centralized maintenance system of continuing education certificates, et cetera. So not that I expect to have any necessary input on changing the budget, but let's make sure that the legislature doesn't claw back money from our licensees to put into roads or something. Let's make sure we use the money that they pay for services that support them. That would be my only comment.

Sandra Baur (01:35:47):

Thank you. And I see Deborah has her hand up.

Deborah Allenbaugh (01:35:55):

Thanks. I just wanted to make sure, Sabrina, that you understand that our budget, our funds are dedicated, so they are specifically for the real estate program. So the legislature won't be taking your licensing funds to build roads, but it is a lot more complex than I have the expertise to explain of what happens when we have an overture. Typically, what will happen is if we've got unspent funds, likely it will be where the program... they don't sweep it, but we will have a reduction in how much we get to spend the next biennium. And then if it makes it to the point that we're always seeing this overage, then they talk about whether fee increases will no longer be necessary. So it is a far more complicated system than I can, but we will take the questions back to our budget office and see if we can get clarity for you.

Sabrina Jones-Schroeder (01:36:56):

The sweep, that's the term that I remember.

Deborah Allenbaugh (01:37:00):

Right, and they don't exactly... it's not exactly a sweep. It is more about a reduction in our expending authority. So, hope that helps.

Sabrina Jones-Schroeder (01:37:11):

It does. Thank you.

Eddie chang (01:37:13):

Okay. Central database for education certificates would be amazing. So moving on, looks like it's central investigations and audit unit reports.

Sandra Baur (01:37:29):

Okay, so we've got our complaint case data. Currently, we have 45 cases that are open. That means we have received them and they have not been assigned for an investigation yet. They're just in the received and open category. We've forwarded 14 cases to investigation. They're currently being investigated. We have completed investigations for 63. At this time, we have closed 25 cases and the all years, all units, that just means a case could have closed this quarter that was opened last year because it spent that time in investigation. So it was recently closed within this quarter. So open in the intake unit, we have five. Open in the investigation unit is 376, and awarded to legal compliance 33. And with that, I'm happy to answer any questions.

Eddie chang (01:38:40):

Any questions, comments?

Shelly Schmitz (01:38:44):

Yes. Sorry, this is Commissioner Schmitz. Can you explain the legal compliance unit? There's an investigation and then it maybe has to go to another step, another department?

Sandra Baur (01:38:59):

That's a great question and I'm going to let Administrator Bill Dutra answer that.

Bill Dutra (01:39:06):

You're exactly right, Commissioner Schmitz. So our terms within our division is probably not going to make a whole lot of sense to people on the outside, so these are cases that have been investigated, gone through the process. Our investigations team felt as though the information there deserved an additional review and potential or possible charges issued against the licensee. So our legal compliance unit is exactly that. They're looking at some of those investigations that have risen to that level, to where an additional review and possible charges may be issued against the licensee at that time.

Shelly Schmitz (01:39:45):

Okay, thank you.

Eddie chang (01:39:50):

Anybody else? I have a question. Given the information on these complaints and stuff like that, and I know there's case issues of confidentiality and everything else, is there any information that can be shared with the commissioners regarding these cases? Either not necessarily in detail, but ideas of what's going on, maybe trends that we're seeing so that we can look at it and see if there's something that we need to address because something is happening or basically have an understanding of what's going wrong so we can figure out if it's something that needs to be addressed?

Sandra Baur (01:40:33):

That's a really-

Bill Dutra (01:40:35):

I'm sorry, Sandy. Certainly that's a great question, and what I can tell you is since we've gone through some structural changes and things, there's been a lot of questions of just that right there. So we are looking at what we can get out to talk about trends. But from this data, I could not sit here and tell you that this is a trend or not a trend. Unlike one of the other 38 professionals that I work with, I could probably do that, but not with this right now. But that is something that we are looking at, of letting people understand what sort of trends that we are seeing in the industry. As you know, depending on what happens in the industry, we'll see different types of situations and issues. For those that have been in the industry quite a few years, back in the 2010 to '12, we saw a trend with issues involving escalation clauses within contracts. So that was something that we looked at, as well.

Sandra Baur (01:41:35):

I'd like to add onto that that we have done some meetings with our audits and investigations unit, and we have started tracking what the general subjects are. Once we have some historical data, we can start sharing that. So our plan is that for 2024, in addition to sharing these stats, we can share the top three complaint subjects at each of our meetings going forward.

Eddie chang (01:42:09):

Thank you.

Sabrina Jones-Schroeder (01:42:10):

And this is Commissioner Jones-Schroeder, and that was something that we wanted to make sure made it into the core curriculum as well, and so we asked staff to liaise between the education subcommittee and the investigation audit department to help us determine what are the hot topics. And that is part of the 2024-'25 core. So you'll see that in the core curriculum, and it's something I'd like to see remain in the core. The issues may not ever change, but it's just always a good reminder, core over core, to say, "This continues to be the ongoing concerns or this is a new concern," so I think it will continue to be addressed in the core curriculum.

Eddie chang (01:42:59):

Thank you. Seeing no more hands raised, let's move on to licensing and customer support services.

Sandra Baur (01:43:10):

So what we have here is our real estate licensing count as of October 9th. So we have a grand total of real estate brokers, and this includes active, canceled, expired, inactive, grand total of just over 43,000. As far as active licensees, we have just over 35,000, and moving on to the managing brokers for active, we have just over 81,000.

(01:43:46):

Thank you. And for a grand total, we have just over 8,000, excuse me, real estate managing brokers. And then for a grand total of active, canceled, expired, inactive, we have just over 9,000. And moving on.

(01:44:11):

For real estate firm names, we have just over 5,000. For real estate estate licensing counts, just over 9,000. And for firm names, it's over 17,000. Next slide, please.

(01:44:33):

So this is something new that we have been asked to provide, and that is a projected count of our licensees for the last two years. So here you see our active licenses in 2022 in the dark blue, and the light blue is our active licensees in 2023. So as you can see, they have stayed fair-

PART 3 OF 4 ENDS [01:45:04]

Sandra Baur (01:45:03):

2023. So as you can see, they have stayed fairly consistent with the exception of the real estate broker that has gone down a little bit and this is something that we will continue to report out on. Also, you'll see at the very bottom the average phone call answered for each month for June through September is right around 1,500 calls per month. Now we're working on gathering a little bit more depth to this data and hopefully we can include the average call wait time and the average email turnaround time in our future reports.

(01:45:43):

Next slide please. This is another thing that we have been asked to start tracking and we have renewals and new licensees. So as you can see, our renewals have gone down just a little bit and our new licensees have remained pretty steady. Next slide please. Okay, and that concludes, sorry about that. That concludes our licensing counts. Are there any questions? Great. We've really been working hard to get these reports in data that is really usable for the commission, so if you have any feedback, feel free to email either Sandra or myself or the DOL Board's inbox for anything you'd like to see in the future. Thank you.

Sabrina Jones-Schroeder (01:46:42):

This is Commissioner, Jones Schroeder. I know that's probably a lot of work to put together those numbers for a two-minute presentation in the meeting, but from my perspective, I love it. It's really helpful. I think it's important for us as a commission to just be looking at the trends, what's happening with numbers, people coming in, coming out, et cetera. So I do appreciate staff's attention to those details and thank you. Love those reports.

Sandra Baur (01:47:09):

That's great. Thank you so much. We'll pass that on to our licensing partners. They do work really hard for us.

Speaker 1 (01:47:19):

Awesome. Let's move on to what we've got on the screen.

Sandra (01:47:24):

Thank You. And that's me. So we briefly touched on scheduling an in-person meeting. That is something that we will work on in 2024 and Sabrina I did note your desire very much and we've heard it from all of our boards and commissions. The second item, we have the detailed licensee count report to include percentage of increase or decrease in year over year. We covered that on today's agenda. We had the percentage of incoming requests via phone calls versus emails, and any data available on subject of call. We don't have that in detail yet, but we are working on it and we did have some piece of that on the report out today and then we will provide more going forward as it becomes available. Excuse me, information on whether notice is sent to licensees needing fingerprinting and if so-

Sandra Baur (01:48:24):

I can speak.

Sandra (01:48:25):

Thank you Sandy.

Sandra Baur (01:48:27):

Yep, I can speak to this agenda item. So as a quick history, we had a public comment about fingerprints being due and the licensee not knowing about it. So we were able to dig into this just a little bit. And fingerprint notices are scheduled to go out 120 days prior to license renewals and that's about four months. Now, we understand that these notices might be getting buried in email inboxes or maybe even spam folders. So we are looking at other options to provide these types of notifications. In the meantime, we suggest that the licensees start their renewal process 90 days prior to their deadline. This will trigger the need for fingerprints with plenty of time that the licensee can get them completed and submitted prior to their renewal deadline. And with that, I'm happy to answer any questions.

Sabrina Jones-Schroeder (01:49:35):

Sorry I'm just full of them today. This is Commissioner Jones Schroeder. Just with regard to the master action item list, I appreciate the report out of 1500 average calls, I think more specifically as a commissioner the report out, I would like to see, and I think Commissioner Claussen has done this before, more specifically, what's the average hold time? Are calls being dropped, what's our email backlog? I know at one point we were working on emails from three months prior, but we were making headway on patching up on that backlog. So just really a deeper dive into those customer service issues, not just how many calls we're fielding. That's great. We're fielding 1500 calls, but what that doesn't tell us is how many calls are we missing? How long are our stakeholders on hold? How many emails are coming in that are not being addressed? How back are we going? So I'd really like to see more specific details about that customer service piece at our next meeting. Please and thank you.

Sandra Baur (01:50:44):

Absolutely.

Schmitz (01:50:46):

This is Commissioner Schmitz. Is it also possible to find out what the topics are for the calls and emails? Are you seeing there's one or two topics where you're getting quite a lot, so maybe that's something we need to address to bring down that volume or I don't know if that's possible, if that's kept like-

Sandra Baur (01:51:10):

We can absolutely look into that and if it's possible we can add that at our next report out.

Schmitz (01:51:17):

Okay.

Speaker 2 (01:51:21):

Quick question on SAW. It does show if they need to get fingerprint, correct? Yeah, that's what I thought.

Sandra Baur (01:51:29):

Yes.

Sabrina Jones-Schroeder (01:51:30):

Well, I guess just to clarify, because we were talking about this in the education subcommittee, which we had no business talking about it, but didn't we figure out that you actually have to start the renewal process? You have to log in and start, click the first link as if you're going to renew your license before it will pop up. A pop-up will come up and say, Hey, by the way, you need, it's not just like I can log on and look at my account and it says I need fingerprints. You actually have to initiate the renewal process. And we all know that licensees are not doing that at 90 days. They won't because they don't have their continuing education done. So it's not the best solution to suggest they do that. We can, but they're fearful of starting that renewal process because 90 days out, they're not ready most of them to renew.

Sandra Baur (01:52:22):

Right. I'd like to give the floor to Deborah Allen Vaughan.

Deborah Allen (01:52:30):

Thanks Sandy. Sabrina, you're correct. All of our licensing bases have the ability to start their renewal process within 90 days. That does not mean they have to finish the renewal process all in one go. So I think that could be the message that's shared out with licensees. You can start the renewal process and realize you don't have all the documents you need and you can stop and go back in later. So the expired fingerprints are supposed to show up on the dashboard. I don't think that, that has ever worked fully. It is something that is, I believe, on the burner to get fixed. But initiating that renewal will definitely give you the roadblock, letting you know that you can't go to the next stop, the step in the renewal process without those.

(01:53:20):

So I also want to circle back around to the request for more specific information on what our calls are coming in. I think Shelly, you'd asked that question. That's a fantastic question. Our software does not do that at this time. We are hoping that we will be changing phone software here in the next, I think within the next year. I don't know the full time span, but that is one of the hopes is that we'll have more of a queue that tells you go to this queue if you've got technical, go to this one. And then it should have the ability to bring out more call related information. Why are all of these numbers going to this line? But we're not there yet. So unfortunately we can't promise what we don't have the technical abilities to provide. But when that does become available, we will definitely share with our commission.

Sabrina Jones-Schroeder (01:54:27):

This Commissioner Jones Schroeder. So I know that the system itself doesn't have the queue of push this if your concern is this push this. I wonder just along the lines of Commissioner Schmidt's question though, would it be possible to send an email to the customer service representatives, the ones who are in the thick of it, fielding the calls, fielding the emails, and just say, Hey, is there a question 2, 3, 4 that you just always get? This is a constant question. I feel like part of our job is to help you communicate to our industry and help you noodle through how do we fix that? What's the educational piece that we can help our licensees with?

Deborah Allen (01:55:10):

Well, I think that's a valid question, Sabrina, and I think that they do have some ideas because we do look at the emails that come in and we can see trends. A lot of them are with the SAW sign in the Secure to Access Washington. We are aware that, that does create a roadblock and then generates a number of phone calls and emails. So we're working on ways that we can make it more user-friendly, make it easier for people to navigate and communicate that out. So there are big trends like that that we can see, but asking our licensing unit, which is very, very busy to get to the minutia and the nuances may not, but we will see what we can do in terms of big picture and how the commission can help.

Sabrina Jones-Schroeder (01:56:08):

Commissioner Jones Schroeder again, I saw a pop-up that our meeting is ending in two minutes. I'm hoping staff can extend the meeting because I for one am certainly willing and able and I believe as commissioners we need to stay on for another half hour. We've got to allow for the public hearing portion of this meeting. So I'm hoping that this meeting can and will be extended to allow for that.

Speaker 1 (01:56:35):

We would need a motion to extend the meeting.

Sandra Baur (01:56:37):

We don't need a motion to extend the meeting. We can just Keep going.

Speaker 1 (01:56:40):

Okay. All right. Any other comments on this? Okay. Seeing none, let's move on to public comment, Lindsay... First off, do we have any written comments?

Sandra Baur (01:57:06):

We do not have any written comments.

Speaker 1 (01:57:08):

Thanks. All right. Lindsay Bavaro, the floor is yours.

Lindsay Bavaro (01:57:14):

Hi guys. My name's Lindsay Bavaro. And first I just want to say thank you so much for allowing us to come listen in on this and a really special thanks for making a subcommittee for the TC discussion. I am a transaction coordinator. I was admin for many, many years fresh out of high school. And then in 2015 I started what we're now referring to as an independent transaction coordination company. I was licensed up until recently because of all of the unknowns that's happening right now. My husband part of my company is still licensed. And so I just have three things that I really want you guys to I would urge you to think about in that subcommittee.

(01:57:58):

The first is kind of what with Commissioner Jones Schroeder was saying that TCs are not really a defined role. If you go nationally to all the different states, we provide very different services. And so just the word transaction coordinator, we really use that because you guys as agents resonate with that. You understand that typically that's a contract to close type service. But like what Jones Schroeder was saying was that there's also some people who are writing up contracts. There's some people who are showing properties, that to me is not a transaction coordinator service, but to other people that are trying to make money in this industry, especially right now, I think the bigger question is not what can a TC do or how can we respond to TCs, but what can a licensed agent do to provide assistance to other licensed agents? I think that's the big question is because the business model isn't just transaction coordinating. The business model might be showing assistant, it might be some other kind of virtual remote assistance, but it is licensee to licensee, especially outside of the brokerage. What can they do?

(01:59:26):

And then speaking to the unlicensed person, again, Commissioner Jones Schroeder, I think you said that we all know what an unlicensed person can do, but I'm going to stop that and say we really don't. There's a huge problem right now with understanding what an unlicensed person can do. Part of that is that the DOL does not have anything published on the website right now. In years past, they have. I working with attorneys, have been going to them and saying, Hey, there's nothing published. I need help. I need clarity. One day something was posted about a year ago, within a couple of days it was down again. So it seems that the DOL maybe is also having some problems clarifying what an unlicensed person can do. The biggest things with that are can an unlicensed person. Am I going too long?

Speaker 1 (02:00:21):

Yeah. Thank you so much for your time. We do have a three-minute limit. Would encourage you to write down your comments and submit it as public testimony so we can review it later.

Lindsay Bavaro (02:00:34):

Wonderful. Is there an email or something that I should send that to?

Speaker 1 (02:00:36):

The dolboards@-

Lindsay Bavaro (02:00:36):

[inaudible 02:00:40]

Speaker 1 (02:00:42):

dolboards@dol.wa.gov.

Lindsay Bavaro (02:00:45):

Okay. Wonderful. Thank you so much.

Speaker 1 (02:00:48):

Thank you. Matthew Plummer.

Matthew Plummer (02:00:55):

Thank you. Good morning folks. So I'll be very, very brief. Yeah. I also wanted to comment on the transaction coordinator issue. And one thing that wasn't mentioned that Annie has also been concerned about is truly agency law and representation. Really, if you have a Washington state licensed broker acting as a transaction coordinator, it doesn't really matter whether they're in the same firm or outside of that firm. From an agency standpoint, you have a real concern, especially for example, if they're transaction coordinating for a seller's transaction. They are not a party to the listing agreement. And as such, they necessarily represent the buyer in that transaction if they're a licensed real estate broker, that's what licensing law states. So they would be in a conflicting situation if they're transaction coordinating for a listing broker on their transaction where they're also communicating with the buyer as well.

(02:02:06):

And oftentimes that's what's happening when a transaction coordinator is involved. So I actually appreciate the previous public comment because I really do believe that you can be a transaction admin unlicensed and not run into that agency conflict. But then there's a real issue with clarity on what real estate brokerage services are and are not. And I think that's going to become even more important as we move into this new agency law environment that goes into effect in January is, What is real estate brokerage services? Because that's going to also be an education piece for brokers who are required now to have a service agreement signed upon providing brokerage services. What are brokerage services? So I think that's one thing that's important.

(02:03:04):

On the fingerprint issue, I just want you guys to know that when I go into my SAW account, it is a perpetual message that tells me my fingerprints are due and it has been even since I got them updated. And when I called into the Department of Licensing, they said, "Oh yeah, ignore that." Well, that doesn't help when people need to know whether or not their fingerprints are due. So we still have some system issues there. I thank you folks.

Speaker 1 (02:03:33):

Thank you for your comments. Wendy Price.

Wendy Price (02:03:39):

Yeah, just really quick when you guys were talking about, and maybe you can pass the message on for me about the exam rates going down. I'm dual licensed, so I'm in Washington and Idaho. And the thing that I see with the agents and those becoming associate brokers and whatnot, Washington is all online. That's the only way that you can get your license that I'm aware of. Idaho is in person and I see that, that makes a big difference to do those classes in person. So it's just a comment and something to think about, but it's something that I see on a regular basis, so I just thought it would be worth bringing up. Thank you.

Speaker 1 (02:04:26):

Thank you. Anybody else on for public comment? Christina Nelson.

Sandra Baur (02:04:47):

Christina, you're muted.

Christina Nelson (02:05:00):

Okay. I am sorry. Thank you. Thank you for taking my comment. I just wanted to say that I too have been checking with Rockwell Institute and various educators, every couple of months to see if they have implemented in Washington state in their curriculum any new live classes. It's proven there's 47 different ways to learn. Washington is offering one. I too don't learn very well through computer instruction. And I have been putting off getting my designated brokers and managing brokers for quite some time due to this problem. My broker can't retire because I'm waiting to get my license, but I'm waiting for live instruction. So I'm really perplexed as to why Washington and our boards or panels are not requiring some of these educators to offer live instruction again. And that's my question.

Speaker 1 (02:06:06):

All right, thank you.

Christina Nelson (02:06:08):

Was there any answer?

Speaker 1 (02:06:10):

Thank you for your question. As per the commission policy, the commission is limited requesting that the matters be added to future [inaudible 02:06:20] for discussion or directing staff to study the matter.

Christina Nelson (02:06:24):

Okay.

Speaker 1 (02:06:26):

So we will add that to... We will talk with staff about that one.

Christina Nelson (02:06:33):

Great, thank you.

Speaker 1 (02:06:35):

Thank you. John Hunter.

John Huntrer (02:06:39):

Thanks, Eddie. Just two things. First off, we went through a recent audit where in the audit the auditor said that we needed to have a log of all offers, whether they were accepted or not accepted in our possession. And I'm just curious as to whether or not, I think the logistics of that are pretty improbable. And so just wanted to get some clarification from the Department of Licensing.

(02:07:11):

And then also curious on January 1st. Lots of questions are coming in as to the firm can't be paid unless there's a buyer agency agreement or an agreement. And so who's going to enforce that? Who does the Department of Licensing look to to enforce that? Is that the escrow company that won't be able to pay the firm? Or is that the firm that won't be able to pay the broker? And so looking for clarification as far as that's concerned and whether or not, Northwest MLS is saying one thing and Annie's saying something different, but do you need a buyer agency agreement as of January 1st on any transaction that is closed or is there a grace period which the Northwest MLS has said. So just very curious as to get in some official stances from the Department of Licensing on those. Thank you.

Speaker 1 (02:08:02):

Thank you. Those will all be directed towards staff for further discussion. Is there anybody else for public comment? Hey-

Speaker 3 (02:08:18):

How do I [inaudible 02:08:18] my hand?

Speaker 1 (02:08:18):

Yes.

Speaker 3 (02:08:25):

Oh, I just wanted to know the same thing. How do we get the answers to these questions that we're asking afterwards? Is this going to come an email or are we going to hear the answers?

Speaker 1 (02:08:40):

Sandy, can you please let them know what will happen next?

Sandra Baur (02:08:46):

Sure thing. So most of these agenda items fall within one of the subcommittees. So we will add that to the subcommittees for them to research. If it does not fall within the purview of one of the subcommittees, we will have the staff research that and then bring that to our next meeting.

Speaker 3 (02:09:08):

So the answers to these will be at the next meeting?

Sandra Baur (02:09:12):

Correct. They need to be an actual agenda item for them to be discussed.

Speaker 3 (02:09:19):

Thank you.

Speaker 1 (02:09:23):

Thank you. Anybody else? Hearing none. Let's go to the conclusion, Sandy. Or am I supposed to just read that off?

Sandra Baur (02:09:41):

This is the time for any announcements. Do any commissioners have anything that they would like to announce?

Sabrina Jones-Schroeder (02:09:51):

This commissioner Jones Schroeder. One of the reasons I want to get back to in-person meetings... How we're running public comment is not my favorite as you probably are all aware. But I guess I would just suggest to those that have specific questions about, there was a specific question about a recent audit and what was being requested and the question mark about that. I mean, could we not say it would be appropriate for them to reach out to the investigation and audit department with specific questions? I mean to suggest that we'll get it where it needs to go, but you need to come to the next commission meeting to get an answer to that question. I don't think that's the best answer to that question because I think if folks on these calls have specific questions that don't necessarily involve the business of the board, it seems like we could also direct something like that to the appropriate person at the department. And again, I apologize if I'm speaking out of line, but...

Sandra Baur (02:10:54):

Deborah?

Deborah Allen (02:10:58):

Hi Sabrina. So actually I take notes when we get public questions and we do circle back around with questions. I think on the previous screen it had the email address and that comes directly to board staff and we do research and get the different units to answer directly to any of our licensees that put a question to us. So yep, we do pay attention. Please feel free to email us at any time and we will get you an answer. But when we are going through public comment, fortunately we are limited to researching and answering at the next commission meeting.

Speaker 1 (02:11:45):

Thank you. Any other announcements? About request for agenda items.

Sandra Baur (02:11:58):

Do any of the commissioners have any requests for any future agenda items Based on the public comment? Okay, thank you.

Speaker 1 (02:12:10):

And then review of action items I guess.

Sabrina Jones-Schroeder (02:12:14):

Yeah, So sorry, sorry, sorry, sorry I couldn't unmute myself fast enough. Sabrina Schroeder again with regard to the public comment and at least a couple, if not a few questions about implementation of agency law and because there won't be a meeting until after the law is implemented, are there any FAQs, is the department already receiving questions? Are there any FAQs that are planned to be sent out addressing any of these questions? I mean, just specifically, because there is now conflicting information coming out from say, Northwest MLS and Washington Realtors about do we need to have on a pending transaction, pending [inaudible 02:13:06]. Signed around the deal in December but it's not going to close until January, do I need to go back to that client and get assigned representation agreement if I don't already have one? I mean, there are some practical scenarios that are coming up and I guess that's the grace period question. Will the department be offering a grace period in terms of investigation in audit if we aren't answering these questions for folks as of January 1st?

Sandra Baur (02:13:34):

Right. Those are great points. And I really want to encourage any members of the public please email that DOL board's email that was on our screen for direct answers. And then we will take that back and we will see what we can put together before January.

Sabrina Jones-Schroeder (02:13:54):

So I guess a future agenda item that I would have, and it didn't really occur to me until the public comments, so thank you public commenters. I think a question that I have fielded many times is what is the policing of the updates to the agency law? What will be... And I know what Annie is saying when she teaches it, I know what I will be saying when I teach it. But what's the department's official position on, What is the policing of that? So that might be a report out from investigation and audit department at the next meeting.

Sandra Baur (02:14:33):

Absolutely. We can add that to the agenda.

Speaker 1 (02:14:35):

Okay.

Sandra Baur (02:14:42):

And Sandra, do we have any other action items from this meeting?

Sandra (02:14:47):

Yes, so I do have an action item for staff to get additional information on the budget, including what the surplus funds between the expenditures and revenue are used for. I have an action item for staff to provide detailed information on average hold times, incoming emails, email backlog, etc. If we are able to get more detailed information manually from the call center regarding the subject of calls or the three to five most frequently asked questions will provide that. And then we're recently staffed to review both Christina Nelson and John Hunter's questions. I think I heard by [inaudible 02:15:32] call that out during the public comment section to that effect the implementation of agency law and the other subjects. Did I miss anything? Okay. And so I'll get the master action item list updated with those items.

Speaker 1 (02:16:02):

Thank you. Anything else from any of the staff or commissioners? With that, do we need a motion to adjourn the meeting or can we just adjourn?

Sandra Baur (02:16:17):

We can just adjourn.

Speaker 1 (02:16:19):

Perfect

PART 4 OF 4 ENDS [02:16:32]