



STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE
TENNESSEE REAL ESTATE COMMISSION
500 JAMES ROBERTSON PARKWAY
NASHVILLE, TN 37243
615-741-2273
<http://www.tn.gov/commerce/section/real-estate-commission>

MINUTES

The Tennessee Real Estate Commission held a meeting August 9, 2017 at 9:00 a.m. CST in room 1A of the Davy Crockett Tower located at 500 James Robertson Parkway Nashville, TN 37243. The Meeting was called to order by Chairman John Griess.

Chairman Griess welcomed everyone to the Board meeting.

Assistant General Counsel Sarah Mathews read the public disclaimer and called roll. The following Commission Members were present: Chairman Griess, Vice Chairman Commissioner Austin McMullen, Commissioner Marcia Franks, Commissioner Diane Hills, Commissioner Fontaine Taylor, Commissioner Gary Blume, Commissioner Rick Douglass, Commissioner Johnny Horne, and Commissioner Bobby Wood. Others present: Assistant Commissioner Carter Lawrence, Chief Counsel Mark Green, Assistant General Counsel Sarah Mathews, Assistant General Counsel Robyn Ryan, Assistant General Counsel Erica Smith, Paralegal Rianna Womack, Education Director Ross White, Commission Staff Elizabeth Bennich, Denarius Stinson and Melissa Fox.

The August 09, 2017 board meeting agenda was submitted for approval.

Motion to approve the agenda as presented was made by Commissioner McMullen and seconded by Commissioner Franks. Motion passed unanimously.

Minutes for the July 12, 2017 board meeting were submitted for approval.

Commissioner Griess requested that the motions be worded more clearly moving forward.

Motion made by Commissioner McMullen and seconded by Commissioner Taylor to approve the July 12, 2017 minutes as presented. Motion carried unanimously.

UPDATE ON EXECUTIVE DIRECTOR POSITION

Chairman Griess and Assistant Commissioner Carter Lawrence discussed the review process for looking for an Executive Director with the focus being finding someone who will support the administrative side of the position. They feel the administrative side is the most important component of the Executive Director's duties, as that is the basis of providing quality service to licensees and the public. After interviewing many candidates both the Chairman and the Assistant Commissioner felt that Caitlin Maxwell is the best candidate for the position and have presented her to the commission as the recommended candidate for the Executive Director position.

After a question and answer session, Commissioner Griess mad a motion to approve the recommendation of Caitlin Maxwell as the new Executive Director of TREC, seconded by Commissioner Horne. Motion passed unanimously.

Commissioner Griess made the motion to authorize Assistant Commissioner Carter Lawrence to negotiate the benefits package with Ms. Maxwell, seconded by Commissioner Franks. Motion passed unanimously.

MEDICAL WAIVER REQUESTS -

Assistant General Counsel Sarah Mathews presented before the commission, on the behalf of Charlotte Vandergriff, the request for waiver of penalty fees for late renewal due to medical issues.

Motion to deny the medical waiver request was made by Commissioner Blume and seconded by Commissioner Taylor. Motion carried 7-2 with Commissioners McMullen and Horne voting against.

EDUCATION REPORT- (Attachment A)

Motion made by Commissioner Franks to approve courses A1-A72, removing courses A11 and A13; motion seconded by Commissioner Wood. Motion carried unanimously. Commissioner McMullen abstained from course A1.

Course A11 was removed for further consideration. Upon further review and discussion of the course material Commissioner McMullen made the motion to approve course A11, seconded by Commissioner Wood. Motion passed with a 5-4 vote with Commissioners Blume, Franks, Hills and Taylor voting against.

Course A13 was removed for further consideration. Upon review and discussion of the course material Commissioner McMullen made the motion to approve course A13, seconded by Commissioner Hills. Motion failed with Commissioners Griess, McMullen, Horne, Taylor, Blume, Hills, Wood, Franks and Douglass voting against.

Commissioner Franks made the motion to approve Instructors A1-A6, seconded by Commissioner Taylor. Motion carried unanimously.

Commissioner Franks noted that she had a conversation with John Giffen, who wrote the 8 hr. Principal Broker CORE course, and he noted that after offering the course to TAR, which was very well attended, he has received feedback thanking him for offering it and it was noted how principal brokers were enlightened and helped by the course. Commissioner Franks noted that going forward that may be a course that they may want to use when deciding penalties for the legal report.

EXECUTIVE DIRECTORS REPORT- (Attachment B)

Review of Financial and Statistical Reports

Chairman Griess requested that it be noted that TREC currently has a revenue surplus of \$380k.

COMMISSION DISCUSSIONS-

Proposed 2018 Meeting Dates

Commissioner McMullen made motion to approve the proposed 2018 Commission meeting dates as presented, motion was seconded by Commissioner Horne. Motion carried unanimously.

PSI Questions from July Meeting

Assistant General Counsel Sarah Mathews and Commissioner Wood reviewed the PSI handbook and made some adjustments to some of the wording to read that after a second failed attempt at the exam an individual must wait 30 days before making a third attempt.

CE Rule - Updated

Assistant General Counsel Sarah Mathews amended the wording to read that the required core course must be a minimum of 6 hours. Commissioner McMullen made the motion to approve the rule as drafted and allows Assistant General Counsel Sarah Mathews to move forward with the rulemaking process, seconded by Commissioner Franks. Motion failed on a 4-5 vote with

Commissioners Blume, Franks, Hills, Taylor and Wood voting against. The commission requested that the wording be changed to read that licensees, resident and non-resident, must complete 16 hours every 2 years and that all courses must be courses that are approved by the Tennessee Real Estate Commission. The commission requested that Assistant General Counsel Sarah Mathews update the rule draft and represent at the September 06, 2017 meeting.

Property Management

Commissioner Blume suggested, at the July 12, 2017 Commission Meeting that the following language be adopted as a rule regarding property management:

Each licensee engaged in property management must be a licensed broker or have their affiliate license held by a licensed broker and must complete a Real Estate Commission approved Property Management course six (6) hours in length every two years in order to continue in this activity.

Assistant General Counsel Sarah Mathews reviewed for statutory authority or rule making authority and presented her findings, stating that because we do not offer a property management license we do not have the authority to do as suggested. What we can do is compose a list of property management courses and put a list on the website alerting agents to the fact that the Commission feels that it is important for them to understand all aspects of property management before engaging in property management and we encourage them to take the listed courses.

Renewal fee for Retired Licensees

At the July 12, 2017 Commission meeting Commissioner Douglass requested that the Commission discuss waiving the renewal fee while a license is in retirement. Assistant General Counsel Sarah Mathews was asked to look into whether the Commission has the authority to remove that requirement and discovered that by statute, TCA § 62-13-318 (2) states “If the retiree wishes to remain in retirement for any portion of a subsequent license renewal period, the retiree shall pay the required license renewal fee prior to the license expiration date.”

Team leaders

Commission discussed teams and team leader at the July 12, 2017 Commission meeting and Commissioner Blume suggested that team leaders be required to hold a Broker license; Assistant General Counsel Sarah Mathews looked into this and pointed out that since we don't define team leaders in our statutes or rules, we did not have that authority. Assistant General Counsel Sarah Mathews is continuing to research what other states are doing in regard to teams and team leaders and looking at possibly creating a new statute to encompass teams and team leaders and look towards proposing legislature surrounding teams and team leaders in the next legislative session.

Broker 120-62-13-303(h)

At the July 12, 2017 Commission meeting the Commission asked Chief Counsel Mark Green to prepare and present at the August 9, 2017 Commission meeting the exact verbiage that is to reflect the legal departments interpretation of this statute so that it is accurately reflected in the minutes.

Legal Opinion on 62-13-303(h)

It is the department's legal opinion that the intent of the statute as expressed in the language of the law is that a broker has **three years** from the original date of licensure to obtain the 120 hours of CE prior to renewal. If they fail to comply with this requirement they will not be allowed to renew as a broker and must "downgrade" to an affiliate broker status. If this person is a Principal Broker, than they would no longer be eligible to serve in that position.

The question becomes: does that preclude a person from **ever** being a broker at any time during the future? It is the opinion of the legal department that it does not. It means that they cannot be a broker after that three year period or at the time of their license expiration and renewal. The licensee would have to restart from the beginning – i.e.,

downgrade, retest and reapply and then complete another 120 hours within the subsequent three year period after the issuance of the broker license at that point.

(h) Within a period of three (3) years from the date of issuance of an original broker's license, the licensee shall, as a requisite for the reissuance of the license, furnish certification of satisfactory completion of an additional one hundred twenty (120) classroom hours in real estate at any school, college or university approved by the commission. Beginning with the license period immediately following the license period in which the licensee completes the one hundred twenty (120) hours of education specified in this subsection (h), the licensee of a broker's license originally issued after January 1, 2005, every two (2) years shall furnish certification of satisfactory completion of sixteen (16) classroom hours in real estate courses at any school, college or university approved by the commission as a requisite for the reissuance of the license.

LEGAL REPORT

Consent Agenda

The following cases were presented to the Commission via a Consent Agenda. All cases were reviewed by legal, legal has recommended dismissal. The Commission voted to accept the recommendation of legal counsel. Motion to approve the consent agenda items 1-9 and 13-18 made by Commissioner Franks and seconded by Commissioner McMullen. Motion passed unanimously. Motion to approve the consent agenda items 21 and 24-42 made by Commissioner Franks and seconded by Commissioner Taylor. Motion passed unanimously. Cases 2017015591, 2017015611, and 2017015791 were discussed further and the motion was made by Commissioner Wood and seconded by Commissioner Franks to accept the recommendation of legal counsel. Cases 2017011351, 2017011371, 2017011551 and 2017011621 were moved from the Consent Agenda to the Legal report for the Commission to further review and discuss.

- | | | |
|----------------|----------------|----------------|
| 1. 2017010771 | 17. 2017017371 | 33. 2017013391 |
| 2. 2017010831 | 18. 2017017411 | 34. 2017014831 |
| 3. 2017011461 | 19. 2017011351 | 35. 2017014811 |
| 4. 20170011641 | 20. 2017011371 | 36. 2017014911 |
| 5. 20170011961 | 21. 2017011671 | 37. 2017014791 |
| 6. 2017012881 | 22. 2017011551 | 38. 2017014851 |
| 7. 2017014161 | 23. 2017011621 | 39. 2017015051 |
| 8. 2017014701 | 24. 2017011771 | 40. 2017015081 |
| 9. 2017014771 | 25. 2017011791 | 41. 2017016121 |
| 10. 2017015591 | 26. 2017013101 | 42. 2017016651 |
| 11. 2017015611 | 27. 2017013121 | 43. 2017016681 |
| 12. 2017015791 | 28. 2017013221 | 44. 2017017531 |
| 13. 2017016041 | 29. 2017013241 | 45. 2017017391 |
| 14. 2017016061 | 30. 2017013181 | 46. 2017017431 |
| 15. 2017017091 | 31. 2017014021 | |
| 16. 2017016871 | 32. 2017013301 | |

Legal Report

Robyn Ryan

- 1. 2017005631 REPRESENT**
Opened: 1/27/17
First Licensed: 8/26/05
Expiration: 12/3/17
Type of License: Principal Broker
History: None

New Recommendation: Dismiss

New Decision: The Commission voted to accept the recommendation of legal counsel.

Motion by Commissioner Hills and seconded by Commissioner Wood. Motion passes unanimously.

2. **2017012321**
Opened: 2/23/17
First Licensed: 1/9/08
Expiration: 1/8/18
Type of License: Affiliate Broker
History: None

Recommendation: \$1,000.00 for violation of Tenn. Code Ann. §62-13-403(1), diligently exercise reasonable skill and care in providing services to all parties to the transaction.

Decision: The Commission voted to accept the recommendation of legal counsel.

Motion by Commissioner Wood and seconded by Commissioner Franks. Motion passes with a 7-2 vote with Commissioners Taylor and Douglass voting against.

3. **2017012351**
Opened: 2/23/17
First Licensed: 10/19/01
Expiration: 4/13/19
Type of License: Principal Broker
History: 2014 Consent Order: \$500 Civil Penalty & TREC Attendance-Earnest Money Dispute

Recommendation: \$1,000.00 for violation of Tenn. Code Ann. §62-13-312(b)(15), failure to supervise.

Decision: The Commission voted to authorize a Letter of Warning.

Motion by Commissioner Franks and seconded by Commissioner Hills. Motion passes unanimously.

4. **2017012741**
Opened: 2/24/17
First Licensed: 5/8/17
Expiration: 5/7/19
Type of License: Vacation Lodging Service Firm
History: None

Recommendation: Letter of Warning.

Decision: The Commission voted to dismiss the matter.

Motion by Commissioner Griess and seconded by Commissioner Franks. Motion passes unanimously.

5. **2017014191**
 Opened: 3/1/17
 First Licensed: 3/5/07
 Expiration: 9/19/18
 Type of License: Affiliate Broker
 History: None

Recommendation: The original sign was in violation of the law but it was corrected immediately. None the less, recommendation is for \$1,000.00 civil penalty for violation of Rule 1260-.02-.12(3).

Decision: The Commission voted to authorize a Letter of Warning.

Motion by Commissioner Douglass and seconded by Commissioner Franks. Motion passes unanimously.

6. **2017014231**
 Opened: 3/1/17
 First Licensed: 11/7/07
 Expiration: 11/6/17
 Type of License: Principal Broker
 History: None

Recommendation: Dismiss

Decision: The Commission voted to accept the recommendation of legal counsel.

Motion by Commissioner Wood and seconded by Commissioner Franks. Motion passes unanimously.

7. **2017014001**
 Opened: 2/28/17
 First Licensed: 3/7/94
 Expiration: 10/14/18

**Type of License: Principal
Broker
History: None**

Recommendation: \$1,000.00 civil penalty for violation of T.C.A. §62-13-404(2) failing to be loyal to the interests of the client.

Decision: The Commission voted to accept the recommendation of legal counsel.

Motion by Commissioner Griess and seconded by Commissioner Hills. Motion passes unanimously.

**8. 2017017571
Opened: 3/15/17
First Licensed: 2/2/07
Expiration: 7/8/18
Type of License: Principal Broker
History: None**

Recommendation: \$1,000.00 for violation of T.C.A. §62-13-312(b)(15), failure to exercise adequate supervision over activities of licensed affiliate.

Decision: The Commission voted to accept the recommendation of legal counsel.

Motion by Commissioner Blume and seconded by Commissioner Hills. Motion passes with a 6-3 vote with Commissioners Griess, Wood and McMullen voting against.

**9. 2017017611
Opened: 3/15/17
First Licensed: 10/13/05
Expiration: 2/23/19
Type of License: Real Estate Broker
History: None**

Recommendation: \$1,000.00 for violation of T.C.A. §62-13-403, failure to diligently exercise reasonable skill in care in providing services to all parties to the transaction.

Decision: The Commission voted to accept the recommendation of legal counsel.

Motion by Commissioner Franks and seconded by Commissioner Hills. Motion passes unanimously.

10. **2017017551**
Opened: 3/15/17
First Licensed: 8/5/05
Expiration: 8/4/19
Type of License: Real Estate Firm
History: None

Recommendation: Dismiss

Decision: The Commission voted to accept the recommendation of legal counsel.

Motion by Commissioner Franks and seconded by Commissioner Taylor. Motion passes unanimously.

Erica Smith

11. **2017001741 REPRESENT**
Opened: 1/11/17
First Licensed: 3/12/08
Expiration: 3/11/18
Type of License: Affiliate Broker
History: None

New Recommendation: Dismiss

New Decision: The Commission voted to accept the recommendation of legal counsel.

Motion by Commissioner Franks and seconded by Commissioner Wood. Motion passes unanimously.

12. **2017001751 REPRESENT**
Opened: 1/11/17
First Licensed: 11/7/07
Expiration: 11/6/17
Type of License: Principal Broker
History: None

New Recommendation: Dismiss

New Decision: The Commission voted to accept the recommendation of legal counsel.

Motion by Commissioner Wood and seconded by Commissioner Franks. Motion passes unanimously.

- 13. 2017000101 REPRESENT**
Opened: 1/4/17
First Licensed: 5/14/04
Expiration: 8/20/17
Type of License: Vacation Lodging Service Firm
History: None

New Recommendation: Dismiss

New Decision: The Commission voted to close and flag the matter.

Motion by Commissioner Franks and seconded by Commissioner Taylor. Motion passes unanimously.

- 14. 2016070901 REPRESENT**
Opened: 11/29/16
Type of License: Unlicensed
History: None

New Recommendation: Dismiss

New Decision: The Commission voted to close and flag the matter.

Motion by Commissioner Franks and seconded by Commissioner Taylor. Motion passes unanimously.

- 15. 2017009031 REPRESENT**
Opened: 2/8/17
First Licensed: 3/21/12
Expiration: 3/20/18
Type of License: Affiliate Broker
History: None

New Recommendation: Discuss

New Decision: The Commission denied Respondent's request to reconsider the previous decision.

No vote was taken on this case, Chairman Griess ruled that there was no further action to take on this case. Commissioner McMullen was absent for this case.

16. 2017012381
Opened: 2/23/17
First Licensed: 9/29/11
Expiration: 9/28/17
Type of License: Affiliate Broker (Suspended E & O as of 3/8/17)
History: None

Recommendation: Consent Order assessing a Civil Penalty in the amount of \$1000 for a violation of TCA 62-13-403(1) (reasonable skill and care); \$2000 for two violations of TCA 62-13-312(b)(5) (failing to timely remit or account for monies coming in to licensee's possession); and \$1000 for a violation of TCA 62-13-403(4) (honesty and good faith).

Decision: The Commission voted to defer the matter to the next scheduled meeting.

No vote was taken on this case, Commissioners decided to defer this case to the September meeting. Commissioner McMullen was absent for this case.

17. 2017012401
Opened: 2/23/17
First Licensed: 2/20/03
Expiration: 4/6/17
Type of License: Principal Broker
History: None

Recommendation: Consent Order assessing a civil penalty in the amount of \$1,000 for failure to supervise.

Decision: The Commission voted to defer the matter to the next scheduled meeting.

No vote was taken on this case, Commissioners decided to defer this case to the September meeting. Commissioner McMullen was absent for this case.

18. 2017015141
Opened: 2/27/17
Type of License: Unlicensed
History: None

Recommendation: Consent Order assessing a civil penalty in the amount of \$1,000 for unlicensed activity.

Decision: The Commission voted to authorize a civil penalty in the amount of \$3,000 for violation of TCA §62-13-301 (unlicensed activity).

Motion by Commissioner Wood and seconded by Commissioner Franks. Motion passes unanimously.

19. 2017016801
Opened: 3/14/17
First Licensed: 1/25/91
Expiration: 9/19/18
Type of License: Principal Broker
History: None

Recommendation: Consent Order assessing a civil penalty in the amount of \$500.00 for a violation of TCA 62-13-312(b)(5) (failure to timely account for moneys coming into licensee's possession which belongs to others).

Decision: The Commission voted to accept the recommendation of legal counsel.

Motion by Commissioner Franks and seconded by Commissioner Taylor. Motion passes unanimously.

20. 2017011351
Opened: 2/21/17
First Licensed: 2/1/17
Expiration: 1/31/19
Type of License: Principal Broker
History: None

Recommendation: Dismiss

Decision: The Commission voted to authorize a civil penalty in the amount of \$500.00 for violation of TCA § 62-13-403(1) (reasonable skill and care).

Motion by Commissioner Wood and seconded by Commissioner Hills. Motion passes unanimously.

21. 2017011371
Opened: 2/21/17
First Licensed: 5/13/05
Expiration: 8/9/18
Type of License: Principal Broker
History: None

Recommendation: Dismiss

Decision: The Commission voted to authorize a Letter of Warning.

Motion by Commissioner Wood and seconded by Commissioner Franks. Motion passes unanimously.

22. 2017011551
Opened: 2/21/17
First Licensed: 9/22/95
Expiration: 11/29/17
Type of License: Affiliate Broker
History: 2004 Letter of Warning

Recommendation: Dismiss

Decision: The Commission voted to authorize a civil penalty in the amount of \$1,000 for violation of TCA §62-13-312(b)(5) (failing, within a reasonable time, to account for or to remit any moneys coming into the licensee's possession that belong to others)

Motion by Commissioner Franks and seconded by Commissioner Wood. Motion passes unanimously.

23. 2017011621
Opened: 2/21/17
First Licensed: 12/28/87
Expiration: 1/28/19
Type of License: Principal Broker
History: None

Recommendation: Dismiss

Decision: The Commission voted to authorize a civil penalty in the amount of \$1,000 for violation of TCA §62-13-312(b)(15) (failure to supervise).

Motion by Commissioner Hills and seconded by Commissioner Wood. Motion passes unanimously.

Meeting adjourned at 3:42 p.m.

ATTACHMENT A

TENNESSEE REAL ESTATE COMMISSION

Education Agenda **August 9, 2017**

CR = Classroom
Webinar=W

I = Internet
PP = Paper & Pencil

Courses Presented for Commission Evaluation

Sponsor/Address/ Contact	Title/Statutory &/or Rule Addressed	Comment	Instructor(s)	Hours
Bradley Arant Boulton Cummings LLP #1328 Christy Roach	TREC: What is it? What does it do? And why should I care?(CR) Rule 1260-1; 1260-05-.03 A1	To educate commercial real estate professionals/brokers on TN law, pertaining to commercial real estate.	Austin McMullen PREVIOUSLY APPROVED	2
Dane Williams-Shoemaker Financial #1665 NEW Dane Williams	Financial Strategies for Independent Contractors(CR) Rule 1260-05-.03(1)(a)(b); (5)(a) A2	This course will provide information that REALTORS need to understand and the financial strategies they need as an independent contractor. The course will cover retirement, disability, insurance, taxation and investments for the REALTOR.	Dane Williams PREVIOUSLY APPROVED	2
Columbia Institute #1463 Jeanne Crane	Red Flags in Property Inspection, No. 157(CR) Rule 1260-05-.03(5)(3) A3	This course explains what may be seen as red flags in the sale property and how this may affect the market value.	Amelia Brown Robbie Wilson PREVIOUSLY APPROVED	8
Knoxville Area Association of Realtors #1092 Carleen Palmer	Systematic Lead Generation(CR) Rule 1260-05-.03 A4	Attendees will learn that buyer and seller leads are only as valuable as the time and effort an agent puts into them. The class instructs attendees how to seek high quality leads, how to nurture and incubate those leads, and how to convert them into clients who through the process will translate to long referrals.	Maura Neill PREVIOUSLY APPROVED	2
	Give to Grow: Community Service and the Hyperlocal Agent(CR) Rule1260-05-.03 A5	Teaches students how to incorporate a giving initiative into their marketing plan and how they can involve clients in charity.		1

Knoxville Area Association continued...	Put Your Best Foot Forward: Lessons in Customer Service from Zappos and Beyond(CR) Rule1260-05-.03 A6	Because technology has allowed REALTORS to get closer than ever to their customers and potential clients this course discusses how techniques and lessons can be applied to the real estate industry.		2
Carleen Palmer	Oscar-Worthy Real Estate Video(CR) Rule 1260-05-.03 A7	This class addresses types of cameras REALTORS should use to take the best possible videos, as well as the various types of editing software options available, how to post videos online, and how REALTORS can use their videos to promote different aspects of the business.	Graig Grant PREVIOUSLY APPROVED	1
	How Technology Can Ruin Your Business(CR) Rule 1260-05-.03 A8	REALTORS are charged with collecting and storing vital information pertaining to their clients. There are ever present threats of exposing yourself and your clients to viruses, malware, social engineering, identify theft and more. This course will help REALTORS steer themselves and their clients' through the perilous legal, online social media world.		2
	60 Apps in 60 Minutes(CR) Rule1260-05-.03 A9	There are now over a million apps on the market. This class will help attendees cut through the clutter and discover the apps best suited for them and their business, allowing them to manage their lives and their businesses in a much more cost and time-efficient manner.		1
	Run A Successful Website Online(CR) Rule 1260-05-.03 A10	This course teaches REALTORS the essential of having their own website, including how to choose a good website vendor and how to successfully plan, organize, and run an effective website.		1
Midwest Capital-MC Mortgage #1666 NEW Kathey Grodi	How to Purchase a House with 50% Down Using a Reverse Mortgage(CR) Rule 1260-05-.03(5)(a) A11	To educate REALTORS on using a reverse mortgage to purchase a house. Also, to train them on reverse mortgage refinances.	Kathey Grodi NEED APPROVAL	3

Ronnie Lee Phillips	Tax Deed Sales in Tennessee(CR) Rule 1260-05-.03(a)(b)(c)(d) A12	This course will serve to introduce licensees to the practice of researching and purchasing delinquent property tax parcels of real estate from the county governmental public auction, and how a successful bid may lead to obtaining free and clear title through a clerk and master deed.	Ronnie Lee Phillips PREVIOUSLY APPROVED	4
Ronnie Lee Phillips	Master's Guide to Real Estate Syndication(CR) Rule 1260-05-.03(a)(b)(c)(d) A13	To introduce the principles and practices of modern real estate syndication methods to licensees interested in acting as a syndicator of group real estate investments through the use of a limited liability company (LLC).		8
Sharp, Robbins, & Popwell, LLC #1667 NEW Andy Holt	Disaster Planning(CR) Rule 1260-05-.03(5) A14	To educate property managers/ site level apartment managers, how to prepare for and respond to a disaster. We will also help prepare a disaster planning form.	Dave Robbins NEED APPROVAL	4
TAR #1110 Steve McDonald	The Future of Real Estate (CR) Rule 1260-05-.03(5)(a)(17) A15	This course will teach agents about how economic trends affect the future of the real estate business. They will also learn about the predicted future of real estate companies, real estate associations, and multiple listing services.	Zan Monroe NEED APPROVAL	2
	Pricing and Positioning: Listing to Sell(CR) Rule 1260-05-.03(5)(a)(17) A16	This course will teach agents how to give your seller a complete analysis of the market by using absorption rates, market trends, FLOW rates, etc.		2
	Be Bold Be Brilliant: Creating A Custom Experience(CR) Rule 1260-05-.03(5)(a)(17) A17	This course illustrates how to create customer loyalty by a culture of service that will grow a licensees business.	Debbie Maier	2

United Housing/Suntrust Mortgage/Freddie Mac #1668 NEW	Open Doors to More Business/Memphis, TN(CR)	Demonstrates affordable housing opportunities based on demographics (local and national), analytics, product and	Dennis Smith Priscilla Reed	3
Anthony L. Weekly	Rule 1260-05-.03(5)(a) A18		NEED APPROVAL	
Walker Business Systems #1409	Mortgage Fraud(PP)	This course addresses the hand-in-hand issues of predatory lending and mortgage fraud and how they affect foreclosed and repossessed properties.	Brian Walker	4
Brian Walker	Rule 1260-05-.03(5)(a) A19			
	Sustainable Housing and Building Green(PP)	Presents the fundamental basics of sustainable housing, or building “green” as it relates to real estate professionals and their clients.	Kevin Van Aken	4
	Rule 1260-05-.03(2) A20		PREVIOUSLY APPROVED	
	Commercial & Investment Real Estate(PP)	This course opens the doors to commercial and investment real estate which can be completely different from those governing the residential realm.		6
	Rule 1260-05-.03(6) A21			
	Truth About Mold(PP)	Students receive practical information on remediation, reducing liability, sampling and testing kits, health effects of mold, and the differences between mold and other environmental red flags.		6
	Rule 1260-05-.03(2) A22			
	Everyday Ethics in Real Estate(PP)	Students will gain greater insight into the responsibilities and duties required by REALTORS and recommended sanctions for violations of the code.		4
	Rule 1260-05-.03(16) A23			

Walker Business Systems continued...	Diversity and Doing Business(PP) Rule 1260-05-.03(14) A24	Identify key terms and origins of diversity issues. Understand the thinking styles and decision making of a consumer.	PREVIOUSLY APPROVED	4
Todd Cordrey	Contract and Risk Management: How to Keep You and Your Broker Out of Court(I) Rule 1260-05-.03(5) A25	The purpose of this course is to explore some sound risk management procedures which can minimize your exposure and reduce your risk of being threatened with a law suit.	PREVIOUSLY APPROVED	3
	Finance Basics: “Know Your Numbers”(I) Rule 1260-05-.03(5) A26	This course will provide the student with an introduction to real estate finance.		3
	Valuation, Marketing, Negotiations & Closing the Sale(I) Rule 1260-05-.03(5) A27	This course is a comprehensive outline on obtaining and managing listings, determining value through a comparative market analysis, pricing, negotiating offers and determining the strongest offer for a seller, and tips on closing.		3
	Common Mistakes Made by Real Estate Rookies and the Rest of Us (I) Rule 1260-05-.03(5) A28	This course is designed to bring awareness to the real estate professional of the common pitfalls/mistakes that are made by many licensees.		3
	Sound Practices for Preparation & Presentation of Effective Contracts(I) A29	Explains that contracts are an essential part of the transfer of real estate. You should be familiar with these, and know how to use them and to explain the terms contained in them.		3

American Dream School of Real Estate continued....	Short Sales for Success(I) Rule 1260-05-.03(5) A30	This course will cover the challenges with Short Sales, providing real estate services and the unauthorized practice of law and services that a licensee is allowed to perform in reference to short sales and foreclosures.	Todd Cordrey PREVIOUSLY APPROVED	3
	Advanced CFPB: How to Avoid Being Embarrassed at a Closing(I) Rule 1260-05-.03(5) A31	To understand the TILA-RESPA integrated disclosure guide to the loan estimate and closing disclosure forms.		3
	Listing Agreements That Work(I) Rule 1260-05-.03(5) A32	The listing agreement is the first contact in what can be a long process to the sale and closing of a property. This course will explore the many intricacies of this agreement as used throughout your career.		3
	Multiple Offers, Escalation Clauses and Hot Markets(I) Rule 1260-05-.03(5) A33	This course will explore multiple offers, escalation clauses, and hot markets covering market dynamics in hot, stable and cold markets, appraisals and the importance of local markets. How to present and respond and prepare a buyer and coach the seller.		3
	Recognizing Discrimination in Fair Housing(I) Rule 1260-05-.03(5) A34	This course will cover how to recognize discrimination in fair housing, including principles of fair housing, and the guidelines established by the federal Fair Housing Law, involving equal access for all people.		3
	Safety for Brokers White Showing Properties and Staging(I) Rule 1260-05-.03(5) A35	This course will cover safety for Brokers and how to protect their clients and the public.		3

American Dream Real Estate School continued..	Working with Fix and Flip Real Estate Investors(I) Rule 1260-05-.03(5) A36	This course will help licensees learn the tricks of the trade. How to have more clients with fewer appointments, better service and protection for satisfied clients.	PREVIOUSLY APPROVED	3
Real Estate Learning Systems, LLC #1653 John Giffen	“Staying Out of Court So You Can Stay on the Court”(CR) TCA 62-13-312; 403; 404; 407; Rule 1260-02-.12(5) A37	This course provides participants a better understanding of the many legal and regulatory dangers Tennessee licensees may encounter in their daily real estate practice.	John Giffen PREVIOUSLY APPROVED	2
	All Under One Roof On Demand Course(I) Rule 1260-05-.03(5) A38	This class will lead you through and explain some of the generational changes and how these changes impact our business.		6
	Scam, Scoundrels and Real Estate Scheme’s(I) Rule 1260-05-.03(5) A39	This course takes you on a journey of recognizing who is liable, assessing the consequences, and revealing the resources that will help you avoid the dark side of the industry today.		6
	Houses: Buy, Fix and Sell(I) Rule 1260-05-.03(5) A40	This course takes you through the process of buying a distressed property, fixing it up, and selling it for a profit.		4
	Buyer Representation in Real Estate(I) Rule 1260-05-.03(5) A41	This course offers a great introduction for buyer agents with a focus on the legal and technical aspects, such as due diligence and fiduciary duties.		6

Real Estate Learning Systems continued...	Tennessee Real Estate Principles(I) Rule 1260-05-.03(3) A42	This 60-hour required course is designed for pre-licensing students in Tennessee. The course includes the latest information along with the rules and regulations of the Tennessee Real Estate Commission.	John Giffen PREVIOUSLY APPROVED	60
	Investment Property Practice and Management(I) Rule 1250-05-.03(5) A43	This course examines the advantages and disadvantages of investments in real estate, and identifies four main categories of investment property and significant characteristics of each. Includes and defines key terms and how to calculate rent per square foot and rent due; and defines responsibilities of property managers and much more.		12
	Tennessee Course for New Affiliates(I) TCA 62-13-303 A44	This 30-hour required course is intended to introduce students to practical applications and increase their understanding of the basic elements of the profession of real estate along with comparing the specialties of residential sales and commercial practice and property management. .		30
	Fair Housing(I) Rule 1260-05-.03(5) A45	This course includes topics pertinent to fair housing in today's real estate world. Students will understand fair housing laws by studying the Fair Housing Act, 1988 Amendments Act and beyond.		6
	Everyday Ethics in Real Estate(I) Rule 1260-05-.03(5) A46	This course reflects the latest information from the Code of Ethics and Standards of Practice of the National Association of REALTORS.		6
	Environmental Issues In Your Real Estate Practice(I) Rule 1260-05-.03(5) A47	Environmental Issues is a general CE course intended to educate licensees on common hazards in the residential environment.	John Giffen	6
	ADA and Fair Housing(I) Rule 1260-05-.03(5) A48	This course will give a real estate professional a strong understanding of fair housing laws and the ADA.		4

Real Estate Learning Systems continued...	Ethics in Real Estate(I) Rule 1260-05-.03(5) A49	The purpose of this course is to ensure real estate professionals have a strong understanding of ethics from NAR, the National Association of REALTORS Code of Ethics, and are able to avoid unethical behavior in their real estate practice.	John Giffen	4
	Prequalifying Your Buyer in Today's Market(I) Rule 1260-05-.03(5) A50	This course provides an overview in real estate financing, and describes the different types of loans and loan programs as well as lending sources. Real Estate professionals will be better able to do the prequalifying computations and complete a loan comparison worksheet for their clients.		4
	Real Estate and Taxes-What Every Agent Should Know(I) Rule1260-05-.03(5) A51	This course demystifies tax laws and their impact on anyone owning real estate. Students will receive a thorough background on basic tax issues, calculations, and formulas, updates on recent tax law changes, and tax issues regarding debt, foreclosure and repossession.	John Giffen	6
	Property Management and Managing Risk(I) Rule 1260-05-.03(5) A52	This course provides an up to date introduction to property management with a practical focus on how to comply with regulations and avoid liability.		6
	Introduction to Commercial Real Estate Sales(I) Rule 1260-05-.03(5) A53	This course provides a comprehensive introduction to the potentially lucrative field of commercial real estate. Discussion includes categories of commercial property, financial elements involved in investments, and developing a marketing plan.		6
	Identity Theft-Protecting Your Client and Your Business(I) Rule 1260-05-.03(5) A54	Students will learn how to respond if their personal information or their clients' information is compromised. They will also learn how to protect their business from a potential data breach.		4

Real Estate Learning Systems continued...	Foreclosures, Short Sales, REO and Auctions(I) Rule 1260-05-.03(5) A55	This course discusses four hot topics in today's market: foreclosures, short sales, REO's, and auctions and the legal ramifications of each. It also reviews ways that agents can market these properties.	John Giffen	6
	Pricing Property To Sell(I) Rule 1260-05-.03(5) A56	This course is designed to help you better understand the concepts o pricing property, principles of value, replacement cost value and the application of market data.		6
	Cost Approach Overview(I) Rule 1260-05-.03(5) A57	From an understanding of valuation of property from a cost approach standpoint this course helps students learn by walking through various examples and methods for estimating cost as well as calculating depreciation.		8
	Income Capitalization Overview(I) Rule 1260-05-.03(5) A58	This course covers the steps in the income approach to valuation, including estimating income and expenses and estimating capitalization rates.		7
	Sales Comparison Approach(I) Rule 1260-05-.03(5) A59	This course covers the steps in the sales comparison approach to valuation. It explains the data collection process and the various methods for estimating adjustments.		7
	Red Flags-Property Inspection Guide(I) Rule 1260-05-.03(5) A60	Real estate professionals are held to a higher standard of reporting if they find something that is a "red flag" or indication of a defect. This course will help the licensee to be informed on what qualifies as a red flag and what their responsibility is when they find one.		6
	Real Estate Finance Today(I) Rule 1260-05-.03(5) A61	This course offers an invaluable resource for real estate professionals practicing in several different fields. It takes the pulse of the current financial environment and explains it with advanced educational concepts.		6

Real Estate Learning Systems, continued...	Understanding Credit and Improving Credit Scores(I) Rule 1260-05-.03(5) A62	This course gives an overview of credit scores, credit reports, and credit bureaus, and gives advice on preventing identity theft, and improving credit. The licensee will understand the Fair Credit Billing Act and the Fair Credit Reporting Act.	John Giffen	3
	Business Management in a Real Estate Office(I) Rule 1260-05-.03(5) A63	This course covers guidelines for office, financial, and human resource management, as well as budgeting, business planning, and government regulations.		8
	Understanding 1031 Tax Free Exchanges(I) Rule 1260-05-.03(5) A64	This course explores the history, evolution, rules, and forms of the strategy used to defer tax liability until a later date. The content ensures the student will receive the most up to date material.		6
	The Truth About Mold(I) Rule 1260-05-.03(5) A65	This course explores the impact of mold on the real estate industry. The students will receive practical information on remediation, reducing liability, sampling and other testing kits, health effects, and the differences with other environmental red flags.		6
	Sustainable Housing and Building Green(I) Rule 1260-05-.03(5) A66	This course takes the mystery out of green and sustainable building concepts for commercial and residential real estate licensees.		6
	Risk Management(I) Rule 1260-05-.03(5) A67	This comprehensive course covers the four components to manage risk: risk education, risk shifting, risk anticipation, and risk control. It recognizes that brokers can reduce legal liability through emphasis on educating their sales people.		6
	Real Estate Math(I) Rule 1260-05-.03(5) A68	This course covers calculations involved in property measurement, commission, investments and return on them, capitalization, loans, property cost and price.		4

Real Estate Learning Systems continued....	Tax Advantages of Home Ownership(I) Rule 1260-05-.03(5) A69	This course explains what types of tax benefits are unique to homeowners. It gives the student insight into different kinds of homeowner benefits and teaches how to calculate taxes that can affect the purchase of a home.	John Giffen	8
	Green Home Features(I) Rule 1260-05-.03(5) A70	Students will gain insight into different features included in green design. Highlights include water and energy efficiency, methods of controlling heat loss, how to conserve energy in a home, lighting and renewable energy.		3
	Tax Free Exchanges(I) Rule 1260-05-.03(5) A71	Learn all about tax free exchanges. This course introduces implications of tax free exchanges for investment properties in residential real estate.		4
	How To Boost Your Income with a Simple Listing Presentation(I) Rule 1260-05-.03(5) A72	To help real estate agents increase converting seller leads into actual seller clients by helping agents to deliver a simple (and effective) listing presentation.		2

Courses Requiring Discussion

Sponsor/Address/ Contact	Title	Comment	Instructor(s)	Hours

August 9, 2017

INSTRUCTOR BIOS

- Dennis Smith: 2016 Freddie Mac Customer Excellence Award; Lean Six Sigma Yellow Belt; Freddie Mac Affordable Lending Manager; Fifth Third Bank Manager. Responsible for managing multiple lender, and Real Estate professional organizations to promote initiatives and support Affordable housing.
- Priscella Reed: Dedicated and compassionate team leader and Lending Manager for United Housing in Memphis, TN. Over 25 years of experience in Mortgage banking.
- Zan Monroe: Founder and CEO of The Monroe Co., dedicated 45 years of life experience to study and teach principles of success, leadership, productivity and consumer experience. Speaker, author and recording artist. Zan's clients include Fortune 500 Companies.
- Debbie Maier: Dean of Customer Experience with Leading RE Companies of the World. An internationally recognized speaker, facilitator and a leading authority in: creating exceptional customer experiences, inspired leadership and sales excellence. 25 years of business, management consulting and training experience. Founder of The End Result, formerly with Ritz Carlton Learning Experience. Race car driver.
- Dave Robbins: Holds the Restoration Industry certifications as Certified Mold Professional; Certified Restorer; and Restoration Leadership Institute.
- Kathey Grodi: Branch Manager/Sales Manager/ for Midwest Capital Mortgage; Holds Tennessee Mortgage Loan Origination License also licensed in MO. Develops long term relationships with Realtors and other professional groups; 21 years experience.

Executive Director's Report

August 2017

Tennessee Real Estate Commission

Education –

Instructor Certification Course – Staff is currently interviewing course developers for a Certification for of instructors with a combination of live and online.

Education Committee- Staff is recommending a review group from the Commissioners to review content and learning objectives of course submissions prior to the final approval by the commission.

Outreaches –

TREC has established topics and a schedule of 8 outreaches with TREC Executive Director and Attorney, Sarah Mathews.

2017 Outreach Locations and Tentative Dates			
Association	Location	Tentative Date	Tentative Time
MTAR	Murfreesboro, TN	August 11, 2017	9:00 AM
WCAR	Brentwood, TN	August 14, 2017	9:00 AM
CWTAR	Jackson, TN	August 15,2017	9:30 AM
RCAR	Springfield, TN	August 18, 2017	9:00 AM
GNAR	Nashville, TN	August 23, 2017	9:00 AM
GCAR	Chattanooga, TN	October 4, 2017	1:00 PM

Human Resources/Staffing –

The staffing grid for the TREC Staff is as follows:

	Executive Director
Ross White	Education Director
Melissa Fox	Office Manager and Processing Coordinator
Rachel Fowler	Licensee Education, Visitor Liaison
Sherry Brame	Administrative Assistant, Special Projects, Processing, Payments, Rosters, Schools
Ahmad Lewis	Auditor
Aaron Smith	Customer Service and Errors and Omissions
Liza Bennich	Customer Service, Processing, Mail, Visitor Liaison, Coding backup
Cherita Okoro	Customer Service, Processing, Coding
Rhonda Brown	Customer Service, Processing
Denarius Stinson	Processing

July Statistical Report –

Profession	Count
Acquisition Representative Registration	2330
Real Estate Firm	3993
Acquisition Agent Registration	42
Affiliate Broker	26747
Acquisition Agent License	143
Designated Agent for Vacation Lodging Services	98
Time Share Sale	895
Time Share Exempt	136
Vacation Lodging Service	108
RE Broker	7625
Time Share Registration	32

License Type	Status	LIC_COUNT
Individual	Active	31769
Individual	Broker Release	3
Individual	Inactive	1
Individual	Retired	6068
Individual	Suspended	962
Individual	Vol Surrendered	3524
Firm	Active	4236
Firm	Retired	76

July 2017

**EXAMS TAKEN BY
LICENSE TYPE**

Test	Tested	Pass	Fail`	% Passed	% Failed
TN- Acquisition Agent	6	2	4	33.33%	66.67%
TN Affiliate Broker- National	666	361	305	54.20%	45.80%
TN Affiliate Broker- State	604	430	174	71.19%	28.81%
TN Broker- National	41	18	23	43.90%	56.10%
TN Broker- State	32	22	10	68.75%	31.25%
TN- Timeshare Salesperson	55	38	17	69.09%	30.91%

Opened and Closed Complaint Cases

Month	Opened Cases	Closed Cases
12/1/2016 – 12/31/2016	65	87 *14 with sanctions
01/01/2017 - 01/31/2017	70	67 *11 with sanctions
02/01/2017 - 02/28/2017	62	105
03/01/2017 - 03/31/2017	56	85
04/01/2017 - 04/30/2017	52	66
05/01/2017 - 05/30/2017	57	41 *5 with sanctions
06/01/2017 – 06/30/2017	87	86 *14 with sanctions
07/01/2017 – 07/31/2017	70	39 *2 with sanctions

2017 June

TREC

SURPLUS/DEFICIT

FISCAL YEAR BEGINS: JUL 2016

	JUL-16	AUG-16	SEP-16	OCT-16	NOV-16	DEC-16	JAN-17	FEB-17	MAR-17	APR-17	MAY-17	JUN-17	YEARLY
TREC Revenues													
Licensing Revenue	\$ 173,605	\$ 189,115	\$ 188,832	\$ 196,997	\$ 217,016	\$ 227,538	\$ 229,986	\$ 207,150	\$ 251,540	\$ 196,193	\$ 223,045	\$ 228,735	\$ 2,529,749
Case Revenue	\$ 5,867	\$ 16,717	\$ 4,467	\$ 3,867	\$ 8,617	\$ 16,717	\$ 19,167	\$ 10,887	\$ 7,568	\$ 8,676	\$ 12,468	\$ 10,158	\$ 125,173
State Reg Fee	\$ (17,170)	\$ (18,640)	\$ (19,800)	\$ (18,310)	\$ (19,490)	\$ (20,300)	\$ (22,900)	\$ (19,130)	\$ (24,750)	\$ (20,890)	\$ (19,520)	\$ (20,260)	\$ (241,160)
TOTAL REVENUE	\$ 162,301	\$ 187,191	\$ 173,498	\$ 182,554	\$ 206,142	\$ 223,954	\$ 226,253	\$ 198,906	\$ 234,358	\$ 183,979	\$ 215,993	\$ 218,633	\$ 2,413,762
TREC Expenses													
Edison Expenditures	\$ 69,695	\$ 79,207	\$ 77,794	\$ 78,777	\$ 70,932	\$ 62,086	\$ 53,398	\$ 81,067	\$ 63,849	\$ 64,551	\$ 87,080	\$ 46,328	\$ 834,764
Admin Costbacks	\$ 35,898	\$ 47,671	\$ 40,717	\$ 44,662	\$ 36,066	\$ 40,916	\$ 29,294	\$ 33,767	\$ 30,888	\$ 86,642	\$ 36,049	\$ 47,757	\$ 510,327
Legal Costbacks	\$ 26,569	\$ 48,261	\$ 44,961	\$ 31,787	\$ 57,650	\$ 40,485	\$ 41,253	\$ 45,892	\$ 50,426	\$ 33,411	\$ 53,889	\$ 47,659	\$ 522,243
Investigations	\$ -	\$ 2,622	\$ 582	\$ 1,851	\$ 4,987	\$ 3,290	\$ 2,609	\$ 1,133	\$ 1,508	\$ 2,536	\$ 603	\$ (250)	\$ 21,473
Field Enforcement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Service Center	\$ 10,830	\$ 9,887	\$ 9,611	\$ 12,559	\$ 10,278	\$ 10,985	\$ 13,136	\$ 13,180	\$ 11,825	\$ 14,587	\$ 10,976	\$ 13,430	\$ 141,285
TOTAL EXPENDITURES	\$ 142,992	\$ 187,648	\$ 173,665	\$ 169,636	\$ 179,914	\$ 157,762	\$ 139,689	\$ 175,039	\$ 158,497	\$ 201,728	\$ 188,598	\$ 154,924	\$ 2,030,091
Net Surplus/Deficit	\$ 19,309	\$ (457)	\$ (167)	\$ 12,917	\$ 26,228	\$ 66,193	\$ 86,564	\$ 23,867	\$ 75,861	\$ (17,749)	\$ 27,395	\$ 63,710	\$ 383,671

Historical Trend

Licensing & Case Revenue													
FY 2016	\$ 250,958	\$ 202,639	\$ 151,324	\$ 179,479	\$ 144,717	\$ 168,954	\$ 186,351	\$ 199,162	\$ 248,430	\$ 196,883	\$ 190,786	\$ 197,262	\$ 2,316,942
FY 2015	\$ 236,972	\$ 196,705	\$ 222,418	\$ 183,400	\$ 177,085	\$ 213,228	\$ 237,719	\$ 174,043	\$ 234,782	\$ 197,692	\$ 194,343	\$ 330,702	\$ 2,599,088
Expenditures													
FY 2016													\$ 1,715,988
FY 2015													\$ 1,634,098

Notes:

Future Dates –

ARELLO Fall – 2017 – Hawaii – September 2017

ATTACHMENT C

Proposed 2018 TREC Commission Meeting Dates

01/10 – 01/11

02/07 -02/08

03/07 – 03/08

04/11 – 04/12

05/10 - 05/11 in West TN location TBD

06/13 – 06/14

07/11 – 07/12

08/08 – 08/09

09/05 – 09/06

10/04 – 10/05 in East TN location TBD

11/07 – 11/08

12/05 – 12/06

Events that influenced the proposed 2018 calendar:

TR Spring Conference Franklin March 19, 2018 – March 20, 2018

Arelo: New Orleans April 04, 2018 – April 07, 2018

NAR Washington meetings May 14, 2018 – May 19, 2018

CMA Festival Nashville June 07, 2018 – June 10, 2018

TR Fall meetings Knoxville September 19, 2018 – September 22, 2018

Arelo: St. Louis September 26, 2018 – September 30, 2018

NAR Convention Boston October 31, 2018 – November 05, 2018

