

MARYLAND REAL ESTATE COMMISSION
500 North Calvert Street
Baltimore, MD 21202

Mission: Protecting the health, safety, and welfare of the public
through examination, licensing, and regulatory activities regarding real estate

BUSINESS MEETING MINUTES
June 20, 10:30 a.m.

Highlights from the meeting:

- Guaranty fund balance for March 2018 is \$1,074,486.00
- Guaranty fund balance for April 2018 is \$1,085,585.90
- Guaranty fund balance for May 2018 is \$1,099,751.25
- Election held for Chair and Vice-Chair positions
-

PRESENT:

Commissioner J. Nicholas D'Ambrosia, Chair (Industry)
Commissioner Jeff Wright (Industry)
Commissioner Owen Taylor (Consumer)
Commissioner Marla Johnson (Industry)
Commissioner Demetria Scott (Industry)
Commissioner Kambon Williams (Consumer)
Commissioner James Reeder (Consumer)
Commissioner Anne Cooke (Industry)
Matthew Lawrence, AAG
Charlene Faison, Education Director, Session Recorder
Michael Kasnic, Executive Director
John Papavasiliou, DLLR Deputy Commissioner
Commissioner Karen Baker (Consumer)
Victoria Wilkins, DLLR Commissioner
Darlene Martin, MREC Licensing Supervisor
Jillian Lord, MREC Asst. Executive Director
Lucinda Sands, Administrative Officer, Paralegal

ABSENT:

PUBLIC IN ATTENDANCE:

Susan Mitchell, MD Realtors
Bob Johnston, AACAR
Jason Brand, AACAR
Kathie Connelly, Broker
A. Elizabeth Rojuginokan
Mark Feinroth, MD Realtors

CALL TO ORDER:

J. Nicholas D'Ambrosia, Chair, called the meeting to order at 10:40 AM

PLEDGE OF ALLEGIANCE

Misc.

Commissioner Taylor raises concern that there was no meeting in May 2018, arguing this is against the statute which requires a meeting every month. **Note:** May's meeting was cancelled due to lack of a quorum.

Matt Lawrence, AAG, confirms there cannot be a meeting without a quorum. Commissioner Wilkins interjects to also explain more goes in to meeting scheduling and rescheduling. In addition to availability of commissioners and staff, there is the issue of available meeting space.

Commissioner Taylor believes meetings are conducted without regard to the law. Commissioner Johnson would like to go on record as objecting to Commissioner Taylor's comments. Commissioner Cooke makes the observation that for many years, there has often not been a meeting in December due to lack of room space and it has never been a problem.

REPORT OF COMPLAINTS/ADMINISTRATIVE DISMISSALS:

Motion (made by Karen Baker, seconded by Marla Johnson) **To approve the Administrative Dismissals for the month of June 2018. Motion carried.**

Commissioner Wright requests that dismissal letters be proofread better. Commissioner Taylor has same request. He also objects to the Executive Director signing dismissal letters.

Motion (made by Jeff Wright, seconded by Karen Baker) **To reinstate the authority of the Executive Director to sign dismissal letters.**

Discussion - Commissioner Taylor argues there is nothing in the regulation to assign authority to a non-commissioner to sign off on letters.

All in favor: Commissioners Scott, Cooke, Johnson, Wright, Reeder, Williams, Baker

Opposed: Commissioner Taylor. **Motion carried.**

COMMITTEE REPORTS:

1. Education – Jeff Wright

- For the month of April 2018 PSI administered 1200 salesperson and 49 broker exams, compared to 1191 salesperson and 47 broker exams in April 2017.
- For the month of May 2018 PSI administered 1098 salesperson and 58 broker exams, compared to 1155 salesperson and 44 broker exams in May 2017.

2. Legislative – Marla Johnson, Legislative Chair

- No comment from Commissioner Johnson
- Counsel advises this is the time of year boards and commissions start to submit legislation.
- Ms. Mitchell, MR, informs the commission the escrow bill did not pass and MR may revisit that; public policy committee is meeting next week.

COMMENTS FROM EXECUTIVE DIRECTOR: Michael Kasnic

1. Current license count totals 45,253, of which

- 4,347 are brokers
- 3,099 are associate brokers
- 36,644 are salespersons
- 120 are reciprocal brokers

- 53 are reciprocal associate brokers
 - 303 are reciprocal salesperson
 - 687 branch offices
 - Inactive totals were not reported.
2. Guaranty fund balance for April 2018 is \$1,085,585.90 with \$0.00 paid out in claims
 3. `Michael Kasnic and staff presented at the TriStar Realty mandatory meeting on May 9, 2018, along with representatives from the DC Real Estate Commission.
 4. Mr. Kasnic also met Howard County Association of Realtors, Carroll County Association of Realtors, and Maryland Realtors, as well as some individual broker offices during agent meetings over the past two months.
 5. Associates brokers and salespersons who work for brokers whose status changes to expired, revoked or suspended will now receive notice of that status change.
 6. MREC is reviewing the issues related to systemic changes that would not allow licensees to renew their licenses unless all required continuing education is completed. The proposed change would not allow renewals unless the CE is documented at the time the licensee renews.
 7. MREC's fiscal auditor has not identified any escrow violations since December.
 8. Two changes were proposed to the Maryland Residential Property Disclosure and Disclaimer form. One proposed to change the wording from Owner(s) to Seller(s) both the NOTE paragraph on page three of the form, as well as in the paragraph and signature blocks below. The other was to change text on page four from "The owner has actual knowledge of the following latent defects" to "Does the owner have knowledge of any latent defects? __No__ Yes If yes, specify: _____"

Discussion: Commissioner Johnson doesn't believe the form needs to be completely re-drafted but like the other commissioners does like the addition of a question being added.

Chair D'Ambrosia would like counsel to review the form to confirm if some terms are interchangeable before decision is made to proceed with changes to the form.

9. Opioid – Guideline for brokers. In the commissioner's packets was a document, Guideline for Brokers to Prevent Opioid Misuse and Diversion, received by Chair D'Ambrosia. The question of whether there should be additional information or guidance related to this issue from the MREC? Chair suggests Mr. Kasnic to check with North Carolina commission to inquire about what they did with the notice (public service announcement, put on website, etc.).
10. Legislative concept sheets were given to each of the commissioners in hard copy. The initial forms are due on June 22nd.

COMMENTS FROM COUNSEL: Matthew Lawrence, AAG

- Matt Lawrence discussed a document brought to counsel by Chair D'Ambrosia. Three items on the document were highlighted for discussion. Counsel concludes that language in the document is referring to a preference to use specific forms and not that the company in question requires it or won't accept other forms. Another highlighted area pertaining to home inspections, counsel finds nothing prohibiting confidentiality agreement but doesn't know how enforceable it would be. After checking with other counsel team members, he feels this is something MREC may want to address by way of issuing a position from the commission if it becomes an issue.

- A question was brought to counsel by licensing staff about designated names. Historically, nicknames only pertained to first names.

Motion (made by Owen Taylor, seconded by Karen Baker) **That based on interpretation by counsel, the Commission moves forward and immediately allow nicknames to include last names.**

Motion (made by Jim Reeder, seconded by Jeff Wright) **To table Commissioner's Taylor motion.**

Motion tabled.

COMMENTS FROM CHAIR: J. Nicholas D'Ambrosia

- NAR meeting was held in May; Commissioners Wright, Cooke and Taylor attended with the Chair.
- Coming soon/pocket listings/whisper listings still a topic of discussion in the industry.
- Chair attended a joint public workshop, held by The Federal Trade Commission and Department of Justice to explore competition issues in the residential real estate brokerage industry. In place now is a 10-year agreement with NAR about virtual office websites that has morphed into IDX. Chair believes commission should be on alert regarding these new types of virtual or internet only based business models.
- Lockboxes. Real estate licensees have ability through an app to generate codes that allows them to open the boxes. The concern is the code is being given to anyone. Chair feels this is something to be aware of.
- Spoke to group of instructors. In COMAR 09.11.02.02 Relations to the Client it reads all offers must be submitted in full. Chair says it is being taught that for counter-offers you don't need to resubmit all pages.

Counsel's interpretation is that if you're only changing one page there should be an understanding the party has all the other pages already.

Commissioner Taylor thinks the full copy of the contract, from a consumer's perspective, makes sense.

Mark Feinroth, MR, offers comment that possible issues come when you have multiple offers and changes to them.

All agree clearer interpretation is needed so instructors are on board as well.

UNFINISHED BUSINESS:

Commissioner Taylor's biggest concern is of a personal matter involving a family member where entity would not accept an earnest money deposit (EMD). He is also concerned with the number of cases MREC receives related to EMD. He believes it is wrong for brokers to refuse to hold EMD. Chair reminds Commissioner Taylor that statute gives brokers authority to not be required to hold EMD. Chair asks counsel to review laws to see if MREC may require a company to hold EMD.

ARELLO conference is coming up in September. Michael Kasnic will draft an email to gauge who needs Commissioner College and who wants to go so the travel request process and registrations may be started.

NEW BUSINESS:

APPROVAL OF MINUTES:

Motion (made by Owen Taylor, no second) **To accept the minutes of the February 21, 2018 business meeting, as amended. Motion Dies.**

Motion (made by Marla Johnson, seconded by Anne Cooke) **To accept the minutes of the February 21, 2018 business meeting, without amendments.**

Discussion – Commissioner Taylor moves to amend Commissioner Johnson’s motion to add back the language he proposed.

Motion (made by Marla Johnson, seconded by Anne Cooke) **To adopt February 21, 2018 minutes as originally approved, without any amendments. All in favor:** Commissioners Cooke, Johnson, Wright, Baker and Chair D’Ambrosia. **Opposed:** Commissioner Taylor. **Abstain:** Commissioners Williams, Scott, and Reeder **Motion carried.**

Motion (made by Jeff Wright, seconded by Anne Cooke) **To approve the minutes of the April 18, 2018 minutes of the business meeting. Motion carried.**

ELECTION:

Commissioner Taylor notes there is no position of vice-chair. Counsel points out law does not read that a vice-chair may not be had. 17-203 has no provision precluding the election of a vice-chair.

Motion (made by Marla Johnson, seconded by Jeff Wright) **To vote for a vice-chair under guidelines explained by counsel. Motion carried.**

Commissioner Scott nominates J. Nicholas D’Ambrosia for position of Chair, seconded by Marla Johnson. Commissioner Taylor nominates Commissioner Scott; she respectfully declines nomination.

Motion (made by Karen Baker, seconded by Marla Johnson) **To close nominations. All in favor:** Commissioners Scott, Cooke, Johnson, Wright, Reeder, Williams and Baker. **Opposed:** Commissioner Taylor. **Motion carried. J. Nicholas D’Ambrosia is voted as Chair.**

Commissioner Cooke nominates Commissioner Wright for position of Vice-Chair, seconded by Karen Baker. **All in favor. Commissioner Jeff Wright becomes the Vice-Chair.**

ADJOURNMENT:

There being no further business, the meeting adjourned at 1:00 P.M. The next monthly business meeting is Wednesday, July 18, 2018.

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

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