

COMMISSION COMMENT

2004 License Renewal

All real estate Brokers or Salespeople WILL soon be sent a renewal notice along with a partially completed renewal form for use in renewing their license for 2004. Your renewal will be mailed to your broker's main office address, unless you have informed us of your preferred contact address. Then the renewal will be mailed to the requested contact address. *If you do not receive your renewal by the end of October please contact the Real Estate Commission Office as soon as possible.* In order for mail to be deliverable, the Post Office must have the names of all persons receiving mail at that address.

DEADLINE REMINDER

November 30, 2003, is the deadline for submitting renewal application materials for all active and inactive salespersons and brokers, along with the proper fees and, if needed, proof of continuing education and errors and omissions insurance. *Because November 30 is on a Sunday*

Commission Meeting Schedule

September 24-25Lincoln
 November 12-13Lincoln
 December 10-11Lincoln

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this year, these materials may be postmarked (postal meter marks will NOT be considered) or received in the Office of the Nebraska Real Estate Commission, 1200 'N' Street, Suite 402, PO Box 94667, Lincoln, NE 68509, as late as December 1, 2003. The Office is open until 5:00 P.M. (CST).

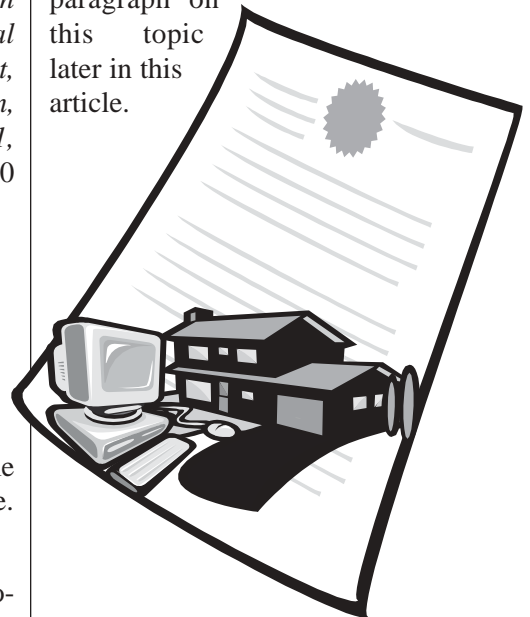
LICENSES HELD ON INACTIVE STATUS MUST BE RENEWED EACH YEAR, TOO.

Renewal forms and renewal instructions specific to inactive licenses will be mailed along with all others and are subject to the same deadlines as described in this article.

INDIVIDUALIZED FORMS

Mailed renewal forms are produced from our database and are individualized to the named licensee. Please take the time to read the supplied information carefully and make any corrections necessary. *Do not attempt to use someone else's form, the barcode will not accommodate this.* Please take care not to lose your individualized form. Every year we spend a great deal of time and resources duplicating the original mailing for those who have misplaced the documents. If you do lose the mailed renewal – Remember you can download a generic renewal from our website at: www.nrec.state.ne.us. *Please be aware that a downloaded form is NOT individualized, therefore, it is very important that you fill-in the contact information at the top of the form in order to be properly identified.* You can also file

directly online by going to www.nrec.state.ne.us. Please see the paragraph on this topic later in this article.



INCOMPLETE APPLICATIONS

NO RENEWALS WILL BE ACCEPTED UNLESS THEY ARE FILLED OUT COMPLETELY AND SIGNED BY THE LICENSEE. Make sure your check or credit card information is enclosed, filled out properly, and in the correct amount. If active, do not forget about the errors & omissions insurance and continuing education.

LATE RENEWALS

Any salesperson or broker who fails to file an application for renewal of a license and pay the renewal fee by the November 30 date, as provided in the Nebraska Real Estate License Act and Neb. Rev. Stat. § 81-885.14, (and extended to December 1, this year) may file a late

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The Nebraska Real Estate Commission often solicits articles from outside experts or reprints articles with permission. While we feel that these articles may offer a broader perspective and will be of interest to the reader, it should be remembered that the views expressed are those of the author and not necessarily those of the Commission.

DIRECTOR'S DESK



DIRECTOR'S DESK

Just a couple reminders for the end of the summer:

CRIMINAL HISTORY BACKGROUND CHECKS

Beginning August 31, 2003, all original applicants for a salesperson or a broker license, are required to have a criminal history background report submitted as a part of the application process.

RENEWAL TIME ARRIVES

In the near future you will receive your renewal application for 2004. Please read the instructions enclosed with your renewal and the articles on renewing your license appearing in this issue of the "Commission Comment".

UPDATE YOUR ADDRESS

Renewal applications, "Commission Comments", and other correspondence from the Commission are directed to the employing broker's business address, unless the licensee has indicated another contact address. Always keep the Commission informed of any changes in the contact address, residence address, and/or employing broker's business address. This will minimize confusion and delays when you are expecting something from the Commission Office.

Now is a good time to check the contact address we have on file—it will be the same as the address sticker on this issue of the newsletter. If you wish to change your contact information, please notify the Commission in writing (faxes accepted) of the change and its effective date.



Les Tyrrell

**MEET THE REAL ESTATE
COMMISSION STAFF**

The Real Estate Commission Staff is here to serve the public and the licensee population. It is our goal to be helpful and forthright in a courteous and professional manner. We hope that when you contact our office, you always receive useful, accurate information and/or are referred to the proper authority.

Following is a communication resource to assist you when contacting our office. If the indicated person is unavailable to take your call, please share the purpose for the call and your call will be routed to someone else who can help you.

We take pride in having a skilled staff, if you have comments or suggestions as to how we may better serve you, please contact our office.

COMMUNICATIONS GUIDE

Ask for person indicated if you have questions in the following areas.

- Commission Meeting Information . . . Heidi Burkland
InfoTech@nrec.state.ne.us
- Complaint Procedures Terry Mayrose
DDEnf@nrec.state.ne.us
- Continuing Education History or
Inquiries Julie Schuur
EdEnf@nrec.state.ne.us
- Curriculum Design (Education &
Instructor Approval) Teresa Hoffman
DeputyD@nrec.state.ne.us
- Errors and Omissions Insurance
Inquiries Teresa Hoffman
DeputyD@nrec.state.ne.us
- License Applications Packet
Requests General Staff
- License Applications Process Melanie Patrick-Heather
Applic@nrec.state.ne.us
- Licensing and Education
Requirements Teresa Hoffman
DeputyD@nrec.state.ne.us
- New Licenses in Process. Melanie Patrick-Heather
Applic@nrec.state.ne.us
- Specialized Registrations Monica Wade
Finance@nrec.state.ne.us
- Transfer of License Marilyn Masters
LicTsf@nrec.state.ne.us
- Trust Account Matters Terry Mayrose
DDEnf@nrec.state.ne.us
John Clark
Patricia Stehly
Ron Pierson

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Nebraska Real Estate Commission
P.O. Box 94667
Lincoln, NE 68509-4667

**Disciplinary Actions Taken by
the Real Estate Commission**

(Does Not Include Cases on Appeal)

2003-023 – Commission vs. Michael Dean Slatten, Broker. Stipulation & Consent Order. License suspended for two (2) years from May 28, 2003, through May 27, 2005, with the entire period stayed and served on probation; plus an additional twelve (12) hours of continuing education, including three (3) hours in the area of agency, three (3) hours in the area of license law, three (3) hours in the area of contracts and three (3) hours in the area of trust accounts, to be completed by November 27, 2003. [Violated Neb. Rev. Stat. § 81-885.24(14) when Respondent negotiated the sale of real estate directly with an owner when he knew that such owner had a written, outstanding listing contract in connection with such property granting an exclusive agency to another broker and § 81-885.24(29) by demonstrating negligence to act as the broker as demonstrated by the violation of § 81-885.24(14) and by failing to deliver documents to his employing broker.]

May 28, 2003

2002-047 – Nancy Jones, Heidi Todd & Angela Rogers vs. Linda Eileen Miller, Broker. Stipulation & Consent Order. License suspended for two (2) years from July 16, 2003, through July 15, 2005, with the entire period stayed and served on probation; plus an additional nine (9) hours of continuing education, including three (3) hours in the area of trust accounts, three (3) hours in

the area of agency and three (3) hours in the area of license law, to be completed by July 15, 2004. [Violated Neb. Rev. Stat. § 81-885.24(2) by using advertising which is misleading or inaccurate in any material particular or in any way misrepresents any property, terms, values, policies or services of the business conducted in that the information relayed to owners when they called in did not clearly set forth the services to be provided by Respondent; § 81-885.24(29) by demonstrating negligence, incompetency or unworthiness to act as a broker in that the time share owners who paid an up-front advertising and marketing fee were charged prior to Respondent obtaining a signed listing, and were not informed if they had already listed the property and were charged a second up-front advertising and marketing fee. The up-front advertising and marketing fees were placed into Respondent's operating account prior to obtaining written permission of a principal to place said funds in the operating account.]

July 16, 2003

2003-035 – Commission vs. Mary Catherine Larsen, Salesperson. Stipulation & Consent Order. License revoked. [Violated Neb. Rev. Stat. § 76-2418(1)(b) and (c) by failing to exercise reasonable skill and care for her client and by failing to promote the interests of the client with the utmost good faith, loyalty and

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We've Got Mail!!

E-mail, that is. The Commission is focusing on technology. Our goal is to enhance our accessibility and service to the Public and to our Licensee Population. With that in mind, let us call your attention to the addition of e-mail addresses in the "Communications Guide" located on page 3. If you have any questions, please feel free to contact us by phone, mail, or e-mail, so that we may be of assistance.



(Continued from page 1)

LICENSE RENEWALS (Cont'd)

renewal application with all required information included and must pay, in addition to the renewal fee, the sum of twenty-five dollars for each month, or fraction thereof, beginning with the second day of December; provided that such late application is filed before July 1 of the ensuing year, i.e. by 5:00 P.M. (CDT) June 30, 2004.

“BUNDLING” OF RENEWAL SUBMISSIONS

Every individual licensee is responsible for the renewal of his or her own license. However, some firms have a practice of holding renewals until they have collected all the renewals of the licensees with the firm and then submitting them to the Commission all together. There are two general approaches to this “bundling” practice. One, all renewals for the firm are collected, with individual checks attached to each renewal, and then all renewals for the firm are sent, under one cover, to our Office. Two, all renewals for the firm are collected with the firm writing one check to cover the total amount needed to renew all licensees in the “bundle” and then they are sent, under one cover, to our Office. Both practices can cause situations to occur where late penalty fees can accrue, if the “bundled” renewals are not sent considerably early, to allow for the review and processing to take place prior to the renewal deadline.

In the first scenario, the licensee may have turned his/her renewal and check into the firm a month or more in advance. The “bundle” arrives at the Commission Office a day or two before the deadline. In processing, it is found that questions have not been answered; the form is unsigned; proof of continuing education or errors and omissions insurance is needed; and/or an individual licensee’s check is not correct. The individual licensee will owe a late

penalty fee if the correction cannot be made prior to the renewal deadline.

In the second scenario, the licensee had turned his/her check and form into the firm a month or more in advance and the “bundle” with one check arrives at our Office on or close to the deadline. Again, the review process finds that an individual application, or more than one, is incomplete or proof of continuing education or errors and omissions insurance is needed. This time, however, if the correction cannot be made by the deadline, all renewal applications covered by the single check are late and the late penalty fee accrues to all the renewal applications. *If the “bundling” option is used, please be sure to mail early!*

RENEW EARLY

The processing of renewal applications, as the volume of renewals received increases near the deadline, can be as long as a week to ten days. This being the case, the return of the individual application or “bundled” applications, by mail, in and of itself, will cause late penalties to occur. Therefore, *we encourage all licensees to mail renewals early and not wait until the last minute.*

**Opportunities TO RENEW
On-Line At
www.nrec.state.ne.us**

Our website has been developed to better serve you and we are constantly updating it to even better serve licensees and the public. We hope that you have acquainted yourself with the site and the tremendous amount of material available on it. We are seeking to bring you greater opportunities in this medium. While everyone will be mailed a renewal in the traditional fashion, the opportunity to submit a renewal online is also available to you. *Should you elect to renew online please remember that all deadlines apply to online*

renewals just as they would any other. Please also remember that you CANNOT fill out online renewals for anyone but yourself. Once you enter the renewal screen, your identification is automatically supplied on the form(s), therefore, any electronic signature besides your own will invalidate the renewal form.

CREDIT CARD PAYMENTS

Visa and Master Card only may now be used to pay fees associated with the renewal of licenses. Debit cards will NOT be accepted. Please review forms and supply the indicated information when opting for the credit card method of payment.

REMEMBER:

LICENSE RENEWAL FEES CANNOT BE COMBINED WITH TRANSFER FEES OR EXAMINATION FEES. THESE ARE SEPARATE PROCESSES. PLEASE SEND SUCH REQUESTS AND THE APPROPRIATE FEE UNDER SEPARATE COVER.

INSUFFICIENT FUNDS CHECKS

IT SHOULD ALSO BE POINTED OUT THAT THE LICENSE ACT PROVIDES THAT THE ISSUANCE OF AN INSUFFICIENT FUNDS CHECK MAY BE GROUNDS FOR DENIAL OR REVOCATION OF A LICENSE - THIS INCLUDES THE RENEWAL OF A LICENSE. A CHECK RETURNED FOR ANY REASON ACCRUES A \$20.00 PROCESSING FEE.

TOP SIX LIST OF RENEWAL MISTAKES

This article is being written to alert you to some of the renewal mistakes that we have seen repeatedly over the years, it is not intended to discourage you from contacting us with your questions and concerns. It is our objective to assist in your efforts to meet your license responsibilities.

We all make mistakes and we all need help correcting these mistakes. Unfortunately, these “little” renewal mistakes are often multiplied by the hundreds and most mistakes, even the little ones, are costly in some way i.e. time and money. It is our hope that by reviewing the “Top Six Mistakes” listed below and by being mindful of them you can avoid these same pitfalls and enjoy a smoother renewal experience.

1 INCOMPLETE OR INACCURATE RENEWALS: Renew early and carefully! Every year we make hundreds of telephone calls to avoid returning incomplete renewals. We endeavor to facilitate the renewal of your license in any way that we can but these calls are costly in time and charges. Please make sure that the application is completed fully and signed. Make sure your check or payment information is enclosed, signed, and correct. If active, do not forget about the errors & omissions insurance and continuing education.

2 NO ERRORS & OMISSIONS INSURANCE: E & O Policies other than the NEBRASKA Commission-offered plan require a current Certification of Coverage Form and, in some cases, an Endorsement Form either already in the file or submitted with the renewal form. When indicating enrollment in the Nebraska Commission-offered plan, the form

reads that you have MADE application—key is the fact that you must follow up on this commitment and send the insurance enrollment materials to Williams Underwriting Group, Inc. preferably prior to the time you send your renewal materials to the Commission. **If you wait until the last minute to renew your license and then send your insurance enrollment at this same late date you will have a delay in processing your renewal – WE CANNOT RENEW YOUR LICENSE ON ACTIVE STATUS WITHOUT PROOF OF INSURANCE.**

3 CONTINUING EDUCATION REQUIREMENT NOT COMPLETE OR NOT SUBMITTED: If your renewal form indicates NEEDS CONTINUING EDUCATION – then you have not fulfilled your CE obligation and we will not renew your license on active status without it. Please do NOT send continuing education certificates in AFTER you have submitted your renewal, this is too late and may affect your renewal in a way you had not intended. If you need to explore your options we will be happy to discuss this with you PRIOR to you sending in your renewal.

4 POSTAL METER MARKS WILL NOT BE HONORED: State law allows us to recognize U.S. Postmarks as a means to complying with deadlines which involve fees. Postal meters are not sufficient to meet this requirement.

5 LOST RENEWAL MATERIALS: Your renewal materials will be mailed to your broker’s main office

address, unless you have informed us of your preferred contact address. Then the renewal will be mailed to the requested contact address. Please take care not to misplace these materials. We send them as early as possible so that you can renew early and not worry about it. Unfortunately, it appears that this lead time gives lots of people time to lose their materials – replacing these materials is expensive. If you do lose the mailed renewal – Remember you can download a renewal, complete it, and send it in or you can file directly on-line by going to www.nrec.state.ne.us.

Should you elect to renew online please remember that all deadlines apply to online renewals just as they would any other. Please also remember that you CANNOT fill out online renewals for anyone but yourself. Once you enter this page, your identification is automatically supplied on the form(s), therefore, any electronic signature besides your own will invalidate the renewal form.

Different from a mailed form and an online form, please be aware that a downloaded form is NOT individualized, therefore, it is very important that you fill-in the contact information at the top of the form in order to be properly identified.

6 COMBINING RENEWAL WITH TRANSFER PROCESSES: The renewal of your license is a completely separate process from a voluntary transfer of your license. Requests to have your license transferred to another broker or activated to yourself should be sent under separate cover and the \$15.00 fee should be separate from the license renewal as well.

Insurers Keep A Secret History of Your Home

By Liz Pulliam Weston

A Columnist from MSN Money at: www.money.msn.com.

(Editor's note: This article is reprinted with permission of MSN Money while it has been slightly abbreviated, here, the unabridged article can be found on their website at: http://moneycentral.msn.com/content/Insurance/Insure_yourhome/P35345.asp This article was recommended for publication by Jane Francis of the Consumer Affairs Division of the Nebraska Department of Insurance. Although the article is written for Consumers, real estate licensees will also benefit in knowing what to expect from Insurers and how they interact with buyers and sellers.)

You probably know that it's not a good idea to make too many claims on your homeowners insurance policy because your insurer could drop you.

What you might not know is that making a claim could make selling your home more difficult down the road. What's more, you could find your home's value damaged or a sale jeopardized even if a previous owner, and not you, made a claim.

Insurers increasingly are using a huge industry database, called the Comprehensive Loss Underwriting Exchange or CLUE, to drop or deny coverage based on a home's history of claims or damage reports.

Insurance companies are terrified of rising losses from water and mold damage. So a single report of water-related problems may be enough for insurers to shun your home.

Jan and Kevin Garder of Bremer-ton, Wash., discovered this the hard way. The Garders thought they were doing the right thing when they told their insurance company, State Farm,

about some minor water damage caused by a rainstorm last year.

Consumers held hostage

The couple, who say they had been with their insurer for 30 years without filing a claim, ultimately decided not to file one this time, either.

That didn't stop State Farm from dropping them as customers, they say. Not only that, but they say State Farm also shared the damage information with the CLUE database. When the Garders applied for coverage elsewhere, the other insurers cited State Farm's damage report as the reason they wouldn't write a policy, Jan Garder said. “

Until then, we didn't know anything about the CLUE database,” she

The Garders say they finally secured bare-bones fire coverage for about \$1,000 a year, more than three times what they paid previously for full homeowners coverage.

What's more, the problem is derailing their plans to sell their home. The Garders say they have been told by their real estate agent and others that they may have a tough time getting a good price for a home that's already been rejected by many insurers.

“You are totally blackballed,” said Jan Garder, 49. “They should not be able to hold a consumer hostage like this.”

Insurance companies get aggressive

In previous years, insurers used

“Insurance companies want to keep their costs down”

said. “We really didn't have a clue.”

State Farm declined to comment on the Garders' case, citing privacy concerns. Spokeswoman Lisa Wang said the insurer shares only claims information with CLUE, not damage reports.

But the company that operates CLUE, ChoicePoint of Alpharetta, Ga., said that the database collects damage reports as well as claims. The information stays in the database for up to five years, said James Lee, ChoicePoint's chief marketing officer.

the CLUE database in large part to watch for fraud and for consumers who had a history of filing numerous claims.

After losing nearly \$9 billion on homeowners insurance last year, however, insurance companies have become more aggressive about screening for other risks – including damaged homes that could spawn future claims.

State Farm, which lost \$5 billion last year on its various insurance lines, has been among the most aggressive in weeding out unwanted

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Secret History (Cont'd)

risks. The nation's largest property insurer has dropped thousands of policyholders from coast to coast and stopped writing homeowners insurance in several states.

So far, insurers' increased use of the CLUE database has not caused serious problems for the booming real estate industry, said George Tribble, a member of the National Association of Mortgage Brokers' board of directors.

But Tribble said he has heard a number of anecdotal reports of residential sales falling through at the last minute because of CLUE-related problems in securing insurance. He fears the problem could get worse if insurers begin to shy away from homes that have had even minor damage.

"Right now, it's still a pretty isolated problem," Tribble said, "but that could change if they (insurers) continue to do this. ... If you're not able to get insurance, you're not able to close the deal."

Tribble thinks it's particularly unfair that a home could be blackballed because of one claim, let alone a single report of damage that didn't lead to a claim.

"Insurance companies want to keep their costs down, which is

understandable," Tribble said, "but this is what you have insurance for – to cover you for accidents."

The insurance industry is notorious for its manic-depressive cycles. In profitable years, companies will slash premiums, boost coverage and take on big risks in hopes of gaining market share. When those risks start costing real money, the companies sound the full retreat – hiking premiums, dropping customers and shunning risk.

What's notable about their most recent mood swing was how quickly it happened, spurred in large part by last year's losses and the massive increase in mold-related claims, especially in Texas and California.

How to protect yourself

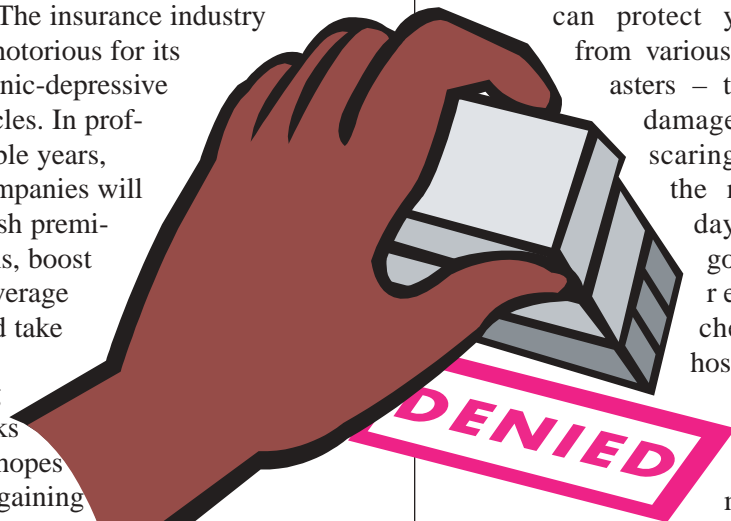
While you can't do much about insurers' overreactions, you can do something to protect yourself in this particularly difficult time. Among them:

#

Keep your home in good repair.

A solid, watertight roof, good plumbing and a decent paint job can protect your home from various water disasters – the kind of damage that's scaring insurers the most these days. It's a good idea to regularly check the hoses on your clothes- and dish-washing machines, since cracked or burst hoses often lead to serious water damage.

Consider getting a copy of your CLUE report. If you've been denied insurance, you can get a copy of your home's CLUE report for free; otherwise, you'll pay about \$8. You have a right under federal law to dispute any erroneous information on the report. To get a copy, contact ChoicePoint at: www.choicepoint.com. Currently, you'll need to mail in your request, although the company hopes to have an online version by the end of the month.



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DISCIPLINARY ACTION (Cont'd)

fidelity, including: (i) seeking a price in terms which are acceptable to the client, and (ii) in that Respondent signed buyer's name to numerous documents relating to this transaction; § 76-2421(1) in that Respondent failed at the earliest practicable opportunity during or following the first substantial contact with a buyer to provide that person with a written copy of the current brokerage disclosure pamphlet which has been prepared and approved by the Commission and to disclose in writing to that person types of brokerage relation-

ships the designated broker and affiliated licensees are offering to that person or disclose in writing to that person which party the licensee is representing; § 81-885.24(29) by demonstrating negligence, incompetency or unworthiness to act as a salesperson in that she failed at the earliest practicable opportunity during or following the first substantial contact with the buyer (a) to provide buyer with a written copy of the current brokerage disclosure pamphlet, (b) to disclose in writing to buyer the types of brokerage rela-

tionships Respondent was offering to the buyer and (c) to disclose in writing to the buyer which party Respondent was representing and by signing buyer's name to the transaction documents.]

July 16, 2003

2003-013 – Linda E. Miller vs. Nancy Lennet Jones, Salesperson. License revoked. [Violated Neb. Rev. Stat. § 81-885.12 by failing to report a felony conviction and driving offenses on her original application or any subsequent renewals.]

July 21, 2003



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Lincoln, NE 68509-4667
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