Summer 2006

New Legislation

(Effective July 14, 2006)

New legislation has passed that will change three sections of the Nebraska Real Estate License Act. You should be aware of the changes although the licensing examinations and enforcement will not reflect these changes until the July 14, 2006, effective date.

The first change is to Neb Rev Stat § 81-885.07 Section 1, which determines the manner in which Broker Commissioners are appointed. It specifies that three of the Broker Members shall be from the current three congressional districts as the districts were constituted on January 1, 2006. The remaining Broker Member will be an at-large member. Consideration has been given to the remainder of current terms. Neb Rev Stat § 81-885.07 Section 1, will read:

"There is hereby created the State Real Estate Commission which shall consist of the Secretary of State, who shall be chairperson of the commission, and six members appointed by the Governor. Three of the members of the commission appointed by the Governor shall be active and licensed real estate brokers who have engaged in the real estate business as brokers or associate brokers for

Commission Meeting Schedule

June 14-15 ... Lincoln August 24-25 ... Lincoln October 5-6 ... Lincoln

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not less than five years, which members shall be appointed by the Governor, one from each of the three congressional districts as the districts were constituted on January 1, 2006. The remaining members shall be appointed at large, one of whom shall be representative of the public, one of whom shall be a licensed real estate salesperson who has engaged in the real estate business as a salesperson for not less than three years, and one of whom shall be an active and licensed real estate broker who has engaged in the real estate business as a broker or associate broker for not less than five years. The member representing the former congressional district 1 on the effective date of this act shall represent congressional district 1 for the balance of his or her term. The member representing the former congressional district 2 on the effective date of this act shall represent congressional district 2 for the balance of his or her term. The member representing the former congressional district 3 on the effective date of this act shall become an at-large member for the balance of his or her term. The member representing the former congressional district 4 on the effective date of this act shall represent congressional district 3 for the balance of his or her term."

The second change is to Neb Rev Stat § 81-885.17 (7), which requires that:

"Within ninety days after the issuance of a license to a nonresident licensee, the licensee shall provide to the commission adequate proof of completion of a three-hour class approved by the commission specific to the Nebraska Real Estate License Act and the law of agency relationships enumerated in sections 76-2401 to 76-2430. If the licensee fails to provide adequate proof of completion of the approved class to the commission within the ninety-day period, the director

of the commission or his or her designee shall place the license on inactive status and notify the licensee that he or she must show cause why the license should not be revoked."

This second change should be particularly of interest to educators and nonresident licensees. We will have some courses that meet this need, but are encouraging additional three-hour classes that cover both. Courses in a distance delivery format certified by ARELLO may be in demand for those non-residents who live too far away to attend a live lecture in Nebraska. However, live-lecture format will be welcome, as well, as these classes may serve not only the newly licensed nonresidents living close by but can also be offered to the general licensee population for continuing education. These subject matters will also meet the requirements to receive the "R" designation from the Commission which encourages registration.

Finally, the third change is to Neb Rev Stat § 81-885.20 Section 1(2), which required, among other things, that when a transfer of license takes place, the pocket card in effect before the transfer has to be returned to the Commission office as a part of the proposed transfer of license to a new designated broker. Since the data base system has a historical record, it was determined the pocket card no longer needed to be returned. This change should make the change of a designated broker an easier and more efficient process for licensees and the Commission. Precisely, the last phrase of (2) "and the employee shall immediately forward his or her pocket card to the commission." is stricken.

New language will appear as:

"When a salesperson or associate

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COMMISSION COMMENT

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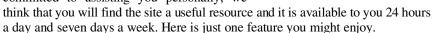
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DIRECTOR'S DESK

GET FAMILIAR WITH OUR WEBSITE

www.nrec.state.ne.us

If you have not visited our website, we encourage you to do so. Although we remain committed to assisting you personally, we



Nebraska Licensee and Applicant Information Search

Ever wished you had a list of the licensees in a certain city? Refer to the Nebraska Licensee and Applicant Information Search option on our menu bar. Enter the city and state in the proper fields—you do not have to supply any additional information. Upon entering your inquiry a listing of all licensees and/or applicants with contact addresses in that city will appear. If you wish to limit your search to only brokers, or only salespersons, in addition to entering the city and state simply enter the profession with the help of a drop-down box and you will be able to sort your list further.

If you want to check to see if your license transfer, or someone else's license transfer has been completed simply go to the same Nebraska Licensee and Applicant Information Search menu item and supply the name of the person in question. Employment data comes up to indicate with whom the individual's license hangs or indicates a self-employed broker. Our licensee information is updated every morning. But if you have a question that the site cannot answer–feel free to call us and we will be happy to help.

This is just one area of our website. There are many more aspects of the site that can assist you in your work. Please remember that our personal service remains available to you should you prefer to call us.

Anonymous Inquiries

Although anonymous inquiries have decreased, the Commission Office still receives them from time to time. As has been indicated in the past, many times there is confusion on the part of the person making the inquiry or the situation, about which the inquiry is made, is not as it appears after Commission staff have looked into the matter.

If the person making the inquiry, sending the advertisement or whatever, had identified himself or herself, the Commission staff could report the findings to that person. Not being able to contact the person making the inquiry can leave that person thinking that nothing was done.

Therefore I am, again, requesting that you include in any inquiries a way for Commission staff to contact you either to correct a misconception or to attain additional information if it is necessary. We appreciate your cooperation.

Rule Change Effective May 13, 2006

In last issue's Director's Desk, we wrote about a proposed rule change that will exempt licensees from having to provide the categories of costs and the estimate of any known costs in the sale of "land or lots to an entity or individual representing itself, himself or herself as a builder or developer."

We would now like you to be aware that the rule change has been approved and went into effect May 13, 2006.



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.

Trust Account Matters...... Terry Mayrose
DDEnf@nrec.ne.gov
John Clark

John Clark Patricia Stehly Ron Pierson

WEBSITE: www.nrec.state.ne.us

TELEPHONE NUMBER (402) 471-2004 FAX NUMBER (402) 471-4492

ADDRESS:

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)

2005-050 - Barry and Peggy Franzen vs Debbie A. Runge-Jesch, Salesperson. Stipulation and Consent Order. License censured; plus an additional three (3) hours of continuing education in the area of agency to be completed by April 17, 2006. [Violated Neb. Rev. Stat. § 76-2121 (1) At the earliest practicable opportunity during or following the first substantial contact with a seller, landlord, buyer, or tenant who has not entered into a written agreement for brokerage services with a designated broker, the licensee who is offering brokerage services to that person or who is providing brokerage services for that property shall: (a) Provide that person with a written copy of the current brokerage disclosure pamphlet which has been prepared and approved by the Commission; and (b) Disclose in writing to that person the types of brokerage relationships the designated broker and affiliated licensees are offering to that person which party the licensee is representing; and, Neb. Rev. Stat. § 81-885.24 (29) by demonstrating negligence, incompetency, or unworthiness to act as a salesperson by failing to complete the required Agency Acknowledgement of Disclosure. February 23, 2006

2005-045 – Glen and Peggy Evert vs Jeannine Ruth Guthrie, Broker. Stipulation and Consent Order. License censured; plus an additional three (3) hours of continuing education in the area of disclosures to be completed by June 23, 2006. [Violated Neb. Rev. Stat. § 81-885.24 (22) Making any substantial misrepresentations, for representing the size of a lot as 5 acres in size when the lot was only 3.5 acres in size; and Neb. Rev. Stat. § 81-885.24 (29) demonstrating negligence to act as an associate broker by representing the size of a lot as 5 acres in size when the lot was only 3.5 acres in size.] March 23, 2006

2006-014 – Commission vs Taryn Jo Long, Broker. Stipulation and Consent Order. License suspended for a period of two (2) years commencing on March 23, 2006, through March 22, 2008, with the

entire period served on probation; plus an additional six (6) hours of continuing education with three (3) hours being in the area of license law, and three (3) hours in the area of trust accounts, all to be completed by July 20, 2006. [Violated Neb. Rev. Stat. § 81-885.24 (21) Failing to notify the Commission of the name of the bank, savings bank, building and loan association, or savings and loan association in which a trust account is maintained and the name of the account on forms provided therefore; Neb. Rev. Stat. § 81-885.24 (26) Violating any rule or regulation adopted and promulgated by the commission in the interest of the public and consistent with the Nebraska Real Estate License Act, specifically, Title 299 Chapter 3-002, which requires every broker to maintain a bookkeeping system which will clearly and accurately disclose full compliance with the law relating to the maintaining of trust accounts; and Neb. Rev. Stat. § 81-885.24 (29) Demonstrating negligence, incompetency, or unworthiness to act as a broker, by failing to notify the commission of the name of the bank, savings bank, building and loan association, or savings and loan association in which the trust account is maintained and also the name of the account on forms provided therefore, and failing to maintain a bookkeeping system which will clearly and accurately disclose full compliance with the law relating to the maintaining of trust accounts. March 23, 2006

2006-007 – Commission vs Thomas J. Haiar, Broker. Hearing held March 23, 2006. License suspended for a period of twelve (12) months commencing on April 3, 2006, through April 2, 2007, with the entire period served on probation; plus an additional six (6) hours of continuing education with three (3) hours in the area of license law and three (3) hours in the area of agency, all to be completed by August 1, 2006. [Violated Neb. Rev. Stat. § 81-885.24 (12) Offering real estate for sale or lease without the knowledge and consent of the owner

(Continued on page 4)

Disciplinary Action (Cont'd)

or his or her authorized agent or on terms other than those authorized by the owner or his or her authorized agent.

April 3, 2006

2005-066 - Kathy Uhler and Terry Harimon vs Daniel Frederick Dickinson, Broker. Stipulation and Consent Order. License censured; plus an additional six (6) hours of continuing education with three (3) hours in the area of agency and three (3) hours in the area of license law, all to be completed by August 1, 2006. [Violated Neb. Rev. Stat. § 76-2417 (1) A licensee representing a seller or landlord as a seller's agent or a landlord's agent shall be a limited agent with the following duties and obligations: (a) To perform the terms of the written agreement made with the client; (b) To exercise reasonable skill and care for the client; (c) To promote the interests of the client with the utmost good faith, loyalty, and fidelity, by failing to attend all showings of the property and by placing a lock box on the home when directed not to; and Neb. Rev. Stat. § 81-885.24 (29) Demonstrating negligence, incompetency, or unworthiness to act as a broker, associate broker, or salesperson, by failing to attend all showings of the property, by placing a lock box on the home when directed not to, and by attempting to collect compensation not authorized under the terms of the Listing Agreement. May 3, 2006

(Continued from page 1)

New Legislation ... (Cont'd)

broker leaves the employ of a broker, the employing broker shall immediately forward the license of such employee to the commission and shall furnish such information regarding the termination of employment as the commission may require."

Please note that this change only effects the transfer of a license, pocket

cards will still need to be turned in as a result of business or personal name change, contact address changes, and in the case of a licensee complying with a disciplinary action.

License Manuals will reflect these changes upon the effective date. License Manual updates will follow.

You Can Have Access to Your Continuing Education History 24/7

We strongly encourage you to submit your continuing education certificates as you earn them. You can then reference Licensee Information on the Real Estate Commission's website (www.nrec.state.ne.us) or call the Commission and access your continuing education records as they are recorded with the Real Estate Commission.

Reminders on Mailing Labels

Our mailing labels, as appear on this newsletter, can also help active licensees keep track of how many continuing education hours they have submitted in their current continuing education period. The label indicates a numerical code to the right of the address. The first set of numbers indicates the number of hours of continuing education an active licensee has submitted, the number behind the slash mark indicates the total number of hours required. If this is followed with an asterisk (*) then the licensee has NOT yet submitted the required 3-hours of designated subject matter (the R course). The second set of numbers identifies the licensee's continuing education period. For example the notation 05-06 indicates a 2005-2006 continuing education period. In this example November 30, 2006, would be the last day to submit continuing education without incurring a late renewal fee.

For example if an individual's continuing education was due this year and the individual had completed 6 hours of continuing education without an R course the notation on the mailing label would read: 6.00/12.00* 05-06. The notation for an individual who has completed the current continuing education requirement would be: 12.00/12.00 05-06.

The benefit to regularly submitting your certificates is that you will have upto-date reminders on your mailings and education history "at your fingertips". These will assist you in avoiding duplication of subject matter and deficiencies that threaten timely renewals.

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Return Service Requested