

Real Estate news-journal

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REAPPOINTMENTS

Governor Phil Bredesen reappointed Grover Collins of Lewisburg and Wendell Alexander of Dresden for another term as Commissioners of the Tennessee Real Estate Commission. Both Commissioners have done outstanding jobs during their previous terms.



Grover Collins

Collins, who is principal broker and owner of Grover Collins Real Estate and Auction, recently completed his term as Chairman of the

Commission. Alexander, who is principal broker and owner of Wendell Alexander Realty, has been a tremendous advocate and benefit to the Commission. Both Commissioners' terms will expire 2015.



Wendell Alexander

The Tennessee Real Estate Commission Remembers Charles Haynes and Welcomes Michelle Haynes



Charles Haynes

Commissioner Charles Haynes passed away in Gallatin June 15, 2010. Haynes was the longest serving Commission member and the recent recipient of the 2009 William "Bill" Tune Award for Excellence in Education. Commissioner Haynes was a celebrated resident of Gallatin and seven-time Chairman of the Real Estate Commission. Commissioner Haynes has served on a number of boards and commissions. Serving on the Sumner County Planning Commission since 1994, Commissioner Haynes was honored for his service and commitment, noting that he had been instrumental in bringing progress and advancement to all of Sumner County. In addition, Commissioner Haynes served on the Sumner County Election Commission, the Industrial Development Board of Gallatin and served on the Auction Advisory Group for ARELLO. He has been a successful and respected real estate practitioner for almost 40 years and his

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Michelle Haynes

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Chairman and Vice Chairman Elections

The annual election of the TREC Chairman and Vice Chairman was held during the July, Commission meeting. Isaac Northern was elected Chairman and Allen Woods was elected Vice-Chairman.

Chairman Northern founded NORTHERN, INC. in 1982. The company's focus was property management. In 1990, a partnership was formed with Henry Turley, Jr. and the company's name was changed to HENRY TURLEY / NORTHERN, INC. At that time, the company's focus was broadening to include brokerage and development. Since its formation, the company's management portfolio has included both multifamily and single family properties as well as commercial.



Issac Northern



Allen Woods

Northern was also honored in 2002 by then Governor Sundquist for "his bountiful life of purpose and commitment to the greater good; now, therefore" and "has served his fellow citizens faithfully and energetically in numerous capacities, and he

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EDUCATION DIRECTOR

Stephen McDonald was chosen as TREC Education Director March 1, 2010. McDonald, a Hendersonville native, was a seven (7) year licensee and an active member of the Sumner Association of REALTORS®. McDonald also is adjunct faculty in the Department of Communication at Lipscomb University in Nashville where he lectures on the topics of Introduction to Communication, Human Interaction and Small Group Communication. McDonald's interest in the real estate



Stephen McDonald

business stems from his mother Hildia McDonald, who is a Broker also in Hendersonville. McDonald combines both his interest in real estate and the duties involved with continuing education as Education Director to maximize the relationship between TREC and licensees. McDonald, a graduate of Goodpasture Christian School, earned his undergraduate and graduate degrees from The Florida State University in Tallahassee, Florida.

Are you In-Active or Retired?

The Tennessee Real Estate Commission only recognizes Active and Retired licenses. An inactive license is an unofficial limbo status where your

license sits when you have either not completed your 16 CE hours or renewed your license. To retire your license, you must complete all of your CE hours including the TREC CORE course and submit a TREC Form 1 with \$25.00 to notify TREC to retire your license. Do not forget to pay your renewal fee of \$80 no matter if your license is active, inactive, or retired. If you decide to re-activate your license, just complete a TREC Form 1 and submit a payment of \$25.00. This will save you from having to test and reapply. The TREC office can not take payments over the phone nor handle cash so allow ample time for your paperwork and funds to clear. You can reference this information at TCA § 62-13-318.

TREC Remembers...cont.

professional memberships include the Sumner County, Tennessee and National Association of REALTORS (TAR) and the Middle Tennessee Auctioneer Association.

To fill this unfortunate vacancy, Governor Phil Bredesen appointed Michelle Williamson Haynes to complete her husband's term on the Commission which expires in 2013. Michelle and Charles started their firm Haynes REALTORS® and Auction Company in 1976. Currently, she is an active licensee and auctioneer. With her appointment, Haynes will be the third female Commission member. Commissioner Haynes is an accomplished artist and is active with the Tennessee Native Plant Society, Tennessee Conservation Voters, The Land Trust for Tennessee, and many environmental issues. Her addition will be of great benefit to the licensees of Tennessee.

Elections...cont.

has selflessly devoted his time and energies to making Memphis a better place to live" by having his name bestowed on the Interstate 55 overpass bridge on Winchester Road between Elvis Presley Boulevard and Mill Branch Road in the City of Memphis.

Vice Chairman Woods is a shareholder of the Law Offices of Woods and Woods and has worked for the law firm, in some capacity, for most of his life. Prior to joining the firm full time, Allen worked for one of the largest law firms in Nashville and gained extensive experience assisting clients with issues related to commercial and residential real estate and finance, zoning, municipal law, environmental law, corporate formations, contract drafting and review, and high level negotiations.

He has represented clients in numerous regulatory, zoning, and residential and

commercial development matters, including the drafting of complex master deeds, covenants and restrictions, and commercial leases for all types of property. He has extensive experience closing residential and commercial real estate and business transactions. He has assisted clients in the purchase, development and sale of numerous small businesses throughout middle Tennessee. In June, 2008, Governor Phil Bredesen appointed Allen to serve on the Real Estate Commission.

Allen graduated from the Vanderbilt University Law School where he was a Dean's Scholar. While at Vanderbilt, Allen was editor of the Vanderbilt Journal of Transnational Law and was awarded the Vanderbilt Scholastic Excellence Award in Legal Process. He also co-founded the local student chapter of the American Constitution Society. He earned his undergraduate degree from Emory University in Atlanta, Georgia.

ARE YOU READY FOR AN AUDIT

Keeping tract of your files and maintaining an office is an important and large task. With that responsibility in mind, here are some simple guidelines for what content should be in your files should an auditor visit your office. An audit will include at a minimum that the firm has a sign, that the firm address and telephone numbers are reflected with TREC records, that all licenses are posted and are current, a review of the escrow or trust account, and an interview with the broker to determine compliance with statutes, rules and policies of TREC. Also during the inspection, the auditor will ask if there are any branch offices. The auditor will also want to know the hours of operation for the firm. Specifically for the principal, the auditor will determine if the principal broker has a copy of the latest TREC manual, if the records are being kept for at least three (3) years and to what extent the principal broker supervises and trains their licensees. All inspections are performed at random but for more rural areas or the case of a home office, contact to the principal broker may be made by the auditor before the auditor leaves our TREC office. An auditor will always be able to show proof of their employment by a badge issued by the state and in most cases will visit in a marked State of Tennessee vehicle. For more information, reference TCA § 62-13-309. Here are frequently asked questions:

Q1. What happens once the inspector completes the inspection?

A1. *The inspector will prepare a detailed written report to*

be signed by the Principal Broker after it has been reviewed and then the inspector will submit the report to the inspection supervisor. Once the supervisor determines no further documentation or clarification is required, the report is finalized and placed in the firm's file. If violations are found, either a Letter of Warning or Agreed Citation will be given.

Q2. How should the broker handle an overage or shortage in the escrow account?

A2. *The broker should identify the source of the overage or shortage and immediately take corrective action to discover the credit or debit.*

Q3. How long is the expected time for a broker to hear back from the commission concerning an inspection?

A3. *There is no mandated time. Depending on the inspection and its findings, it typically takes 60-90 days before the broker will get the commission's response. The audit is not complete until reviewed by the commission. If the issues found warrant immediate action or immediate compliance, then the principal broker should address those items immediately. Once the auditor compiles the report and turns it into the commission, it will be the responsibility of the commission to determine the items noted in the report are significant and warrant pursuit of formal discipline.*

NOTIFICATION OF ADDRESS CHANGE

Have you recently moved?? If yes, then TREC needs to know!! It is important to notify TREC of your change of address. We need this information because a growing number of licensees are not in constant contact with their firm. The process is fast and easy and of course NO CHARGE! Go online to www.tn.gov/commerce/boards/trec/forms and download the Transfer, Release and Change of Status Form (TREC Form 1) and submit to us. We will update your file. Make sure to provide all your information including your license number.

CE Available Thru TREC

You can receive once every two year licensing period eight (8) hours of continuing education by attending a two day commission meeting. This policy has been in place since August 2006. You do need to register at least ten days prior to the Commission meeting to get your name on the roster. Though Commission meetings are open to the public, sometimes seating is limited based on the meeting location so make sure to reserve your spot. The process is simple once you arrive. You must sign in and provide your Tennessee Real Estate License Number/ File ID and be seated prior to the 9am start. Our Commission meetings are two (2) days so make arrangements to be in attendance for both as credit is only awarded for a licensee attending both meetings. You will receive a packet of information that has the meeting's agenda and all information presented plus a certificate at the end of the meeting validating your attendance. If you are interested, please contact Betsy Bowman at betsy.bowman@tn.gov.

2010 COMMISSION MEETINGS

August 4/5	9:00AM Nashville Davy Crockett Building 500 James Robertson Parkway, Room 160
September 1/2	9:00AM Jackson, TN George A. Smith Meeting Room at City Hall 107 E. Main Street, Ste. 107
October 7/8	9:00AM Sevier County Location TBD
November 3/4	9:00AM Nashville Davy Crockett Building 500 James Robertson Parkway, Room 160
December 1/2	9:00AM Nashville Davy Crockett Building 500 James Robertson Parkway, Room 160

NEW RULE AND LAW STATUS

There are changes made that will impact your business. Please check out these changes online at <http://www.tn.gov/commerce/boards/trec/documents/NewRulesasJune142010.pdf>

TREC POLICIES ON WEB-SITE

All current TREC policies are on the TREC web-site at: <http://state.tn.us/commerce/boards/trec/policies.html>
Please review them frequently so that any changes concerning your license are noted. Policies can be added by the Commission or removed when they become obsolete or are replaced by rule or law.

"The Tennessee Department of Commerce and Insurance is committed to principles of equal opportunity, equal access, and affirmative action." Contact the EEO Coordinator or ADA Coordinator (615) 253-7685.

TREC 2 Hour CE Seminars Kicked Off in June!

The TREC 2 Hour Continuing Education Seminar offering complimentary continuing education to licensees kicked off in Lewisburg June 24, 2010. The Southern Middle Tennessee Association of REALTORS® hosted TREC at the Columbia State Community College Lewisburg Campus. This event was the first of eight statewide seminars. Stewart Prather of Rice Insurance Services Company, LLC, Executive Director Eve Maxwell, and Education Director Stephen McDonald delivered news and information on changes to rules and statutes, areas of risk reduction, and other current hot topics. In some locations, TREC Commissioners and TREC Attorney Robyn Ryan will be in attendance. The Seminar schedule provided below lists the location and all times are reflected in the location's time zone. Seminars will be at the local association office if not otherwise noted. Please contact an association for more information on this excellent opportunity to meet with Rice Insurance Services Company, LLC and the Tennessee Real Estate Commission.



August 19, 9am/1pm	Upper Cumberland Association of REALTORS®
August 20, 9am/1pm	Chattanooga Association of REALTORS®
September 21, 1pm/5pm	Memphis Area Association of REALTORS®
September 22, 9am/1pm	Central West Tennessee Association of REALTORS®
October 22, 9am/1pm	Greater Nashville Association of REALTORS®
November 18, 9am/1pm	Northeast Tennessee Association of REALTORS®
November 19, 9am/1pm	Knoxville Area Association of REALTORS®

Looking for the Disciplinary Action Page?

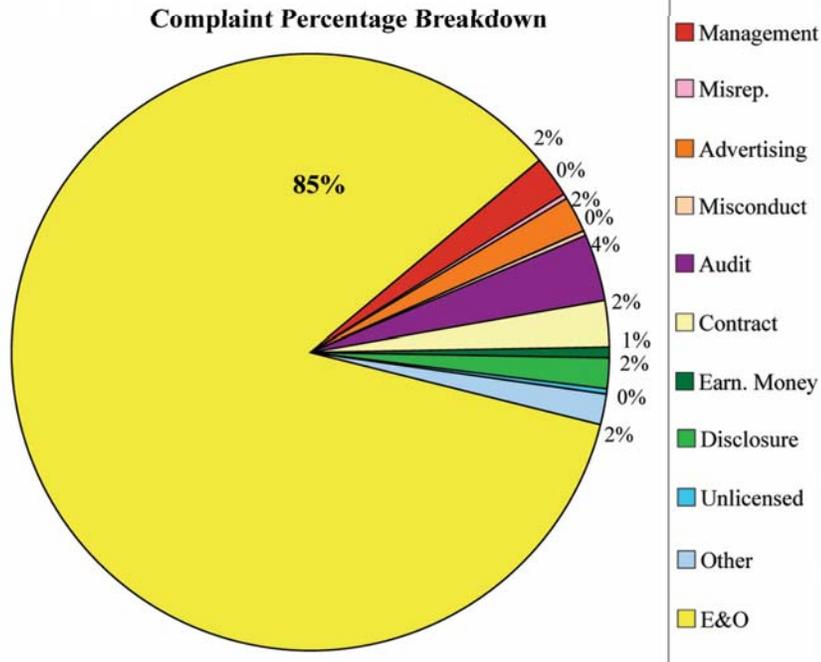
This page has also been placed online and will be updated monthly. Due to changes to reduce cost and the amount of actual disciplinary actions, the reports are now listed at:

http://state.tn.us/commerce/boards/trec/documents/DAR_Initial_012010.pdf



COMPLAINTS AND THEIR FREQUENCY

Management	8	2%
Misrep.	1	0%
Advertising	7	2%
Misconduct	1	0%
Audit	14	4%
Contract	9	2%
Earn. Money	2	1%
Disclosure	6	2%
Unlicensed	1	0%
Other	6	2%
E&O	314	85%
TOTALS	369	100%



TREC CORE INCREASES TO SIX HOURS

TREC CORE Course Topics for 2011-2012

- I. TREC Law, Rule, and Policy Update
- II. Disclosures
 - a. Mold
 - b. Acts of Nature
 - c. Flood Plain
 - d. Suppression
 - e. Stigmatized Properties
- III. Contracts
 - a. Residential
 - b. Commercial
- IV. Principal Broker Supervision
- V. Agency
- VI. Ethics
- VII. Fair Housing
- VIII. Marketing
 - a. Gifts and Prizes
 - b. Advertising

A TREC Thank You!

The Tennessee Real Estate Commission would like to thank Linda Woods and Candy Joyce for making the March Commission meetings in Murfreesboro a success. Linda Woods is the Tennessee Association of REALTORS® Administrative Vice President and was honored with TREC's "Triple T Award" for being "Tireless, Tremendous, and Terrific!" Candy Joyce is the Executive Officer for the Middle Tennessee Association of REALTORS®. Both ladies went beyond the call of duty to accommodate the commission and TREC thanks you!

The Commission would also like to thank the Chattanooga Area Association of REALTORS® for their outstanding hospitality. TREC's April two (2) day Commission meetings were held at the downtown Resource Development Agency with dinner following Thursday's meeting at the exclusive Walden Club. Thank you again for our overwhelming reception.

The first of a eight TREC 2 Hour CE Seminars was a great success! The seminars which will be given across the state kicked off at the Columbia State Community College Lewisburg Campus June 24th. Mary Scott of The Southern Middle Tennessee Association of REALTORS® and TREC hosted the seminar. Forty-five (45) licensees were present for CE! TREC thanks Ms. Scott and the entire Southern Middle Tennessee Association of REALTORS® staff for their help.

Number of Licensees

Number of Licensees as of 6/30/2010
(figures in parentheses are differences from numbers reported last month)

Type	Active	Inactive	Retired	Broker Release*	Grand Total
People	27,040 (-69)	1,461 (-143)	10,629 (-46)	807 (-63)	39,937 (-321)
Firms	4,419 (-35)		370 (+19)		4,789 (-16)
Totals	31,459 (-104)	1,461 (-143)	10,999 (-27)	807 (-63)	44,726 (-337)

*Broker Released licensees are those usually in the process of transferring or going inactive/retired.

Timeshare Registrations Active	190 (+3)
Vacation Lodging Services Active	128 (+0)
Licensed Acquisitions Agent Active	138 (-12)

E & O Penalty Monies Collected

1/1/09-6/30/2010

Total E & O Collected
1/1/09-6/30/10 = \$199,150.00

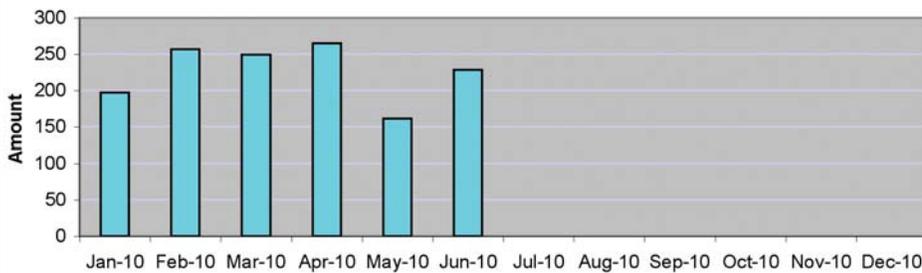
E & O Collected in June, 2010
\$3,650.00 (reflected in total)

E & O Collected July 1-2, 2010
\$3,600.00 (not reflected in June 2010 or in total)

Total monies collected
1/1/09-6/30/10 = \$422,433.00
(minus) E & O = \$199,150.00

Total All other Fines = \$223,283.00

Real Estate Licenses by type



Type of License	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Yearly Total
Affiliate Broker	116	164	129	141	102	148							800
Broker	27	23	34	27	10	25							146
Non-Resident	15	15	22	22	8	9							91
Firm	30	27	23	20	14	22							136
Non-Resident Firm	5	5	9	9	4	9							41
Timeshare	4	21	28	41	19	13							126
Vacation Lodging Services	0	2	1	1	1	2							7
Acquisition Agent	0	0	3	4	3	0							10
Totals	197	257	249	265	161	228	0	0	0	0	0	0	1357
Real Estate Firm Closures	27	19	19	7	11	20							103
Real Estate Firm Retired	8	10	7	5	0	26							56
Vacation Lodging Retired						1							1

Additional Statistics

Year (June)	Active	Retired	Inactive	Broker Release	Vol Term	Firms	Total(no firms)
2010	27,040	10,629	1,461	807	2,602	4,419	39,937
2009	28,931	9,975	3,679	1,553	2,335	4,445	44,138
2008	33,656	9,838	2,111	1,346	1,955	4,781	46,951
2007	35,331	9,896	1,358			5,015	46,585(w/o B/R)
2006	32,551					4,045	
2005	28,643					3,560	

Licenses Approved (June)	Affiliate Broker	Broker	Firm	Total
2010	148	25	22	195
2009	158	23	23	204
2008	179	22	23	203
2007	459	93	53	605
2006	530	100		

Average Number of Licenses (individuals) Issued per month (based on a calendar year)

Year	Licenses Issued
2000	276
2001	312
2002	320
2003	420
2004	470
2005	564
2006	588
2007	542
2008	281
2009	172
2010	195

TREC TIPS

- Be familiar with your real estate license number and dates. Everyone has their own personal expiry date.
- The 30-hour Office Broker Management Course is a pre-license course only. This course does not satisfy Continuing Education requirements.
- Don't forget to pay your renewal when your license is in a retirement state.
- Property management is a business that requires a real estate license.
- An affiliate broker's real estate license is required to re-sale timeshares.
- TREC currently has a reciprocal relationship with these states as they do not mandate that our licensees to take any additional education: AR, CT, GA, IA, LA, MA, MS, NM, NC, ND, SD, VA, WV.
- A real estate license is required to resale timeshares in Tennessee.
- To facilitate your calls into TREC, have your license number or social security number ready so we can pull up your licensing information.

In an effort to provide outstanding service to individuals who call the TREC office, all staff members are required to introduce themselves by name. When calling, please note the name of the staff person with whom you spoke, in case you need to contact that person again.

TREC Contact Information

(615) 741-2273 or (800) 342-4031

www.state.tn.us/commerce/boards/trec

PERSONNEL & AREAS OF RESPONSIBILITY

Administration:

Eve Maxwell

Education Director:

Stephen McDonald

Legal:

Robyn Ryan

Administrative Assistance

Betsy Bowman
Kelly McDermott

Office Manager:

Dennis Hodges

Board Meetings:

Kelly McDermott

Complaints:

Conell House

Licensing:

Patricia Appleton
Hester Curtis
Kim Dorris

Gil Dyer
Rachel Fowler
Deborah Malugen
Karen Patton
Richard Thomas
Paula VanBuren

Reception & Records Management:

Ken Spurlock
Linda Wolfert
David Freyer

Errors & Omissions Insurance

Contractor for
2009-2010

Rice Insurance Services Company, LLC

Phone: (888) 248-2444

Fax: (502) 897-7174

Web: www.risceo.com

Editor/Chief:

Stephen McDonald

Department of Commerce and Insurance

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ASSISTANT COMMISSIONER: STEVEN MAJCHRZAK

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