

REVIEW

Wyoming Real Estate Commission and Wyoming Certified Real Estate Appraiser Board

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WINTER 2010

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POLICY

No portion of the articles published herein shall be reproduced in any other publication unless specific reference is made to their original publication in the WYOMING REAL ESTATE REVIEW.

2010 Trust Accounting Course (video conference)

Dates: February 2, 2010 or May 6, 2010

Approved for 3 Hours Continuing Education

(Funding provided by money collected for the Education Fund)

Get the latest information on Wyoming Trust Accounting Laws, Rules, Regulations, and Guidelines. This course is open to all licensees and the public, but will be most beneficial to Responsible Brokers and those aspiring to become Responsible Brokers. Sign up early as seating is strictly limited. A variety of locations are being offered in an effort to minimize the distance a student has to travel. The video conference system providers have assured Director Hogg these classes will not have the “technical difficulties” experienced during the last broadcast. ***Please note some of the cities are different for the February 2nd class than the May 6th class, so check both days for your nearest location.***

A registration form was previously emailed to licensees. If you do not have access to email, you may find registration information on our website. If you did not receive an email and wish to register for a class, please contact the Wyoming Real Estate Commission office at 777-7141. Don't delay—register TODAY.

Real Estate—Discipline

Valorie Grutkowski, formally of Prestige Real Estate, Real Estate Broker, was censured and an administrative fine of fifty dollars (\$50.00) was imposed upon her for violations of WYO. STAT. ANN. § 33-128-111 (a)(ix) and Commission Rules and Regulations, Chapter II Section 9(d).

Maxie Becker, Prestige Real Estate, Real Estate Salesman, was censured and an administrative fine of two hundred dollars (\$200.00) was imposed upon her for violations of WYO. STAT. ANN. § 33-28-111 (a)(ii); Commission Rules and Regulations, Chapter II, Section 9(b)(xvix).

Ryan Allison, Realty Executives of Casper, Real Estate Salesman, was censured for violations of WYO. STAT. ANN. § 33-28-111 (a)(ii); WYO. STAT. ANN. § 33-28-306 (a)(iv) and Commission Rules and Regulations, Chapter II, Section 9(b)(xvix). Mr. Allison's discipline also included completion of an eight (8) hour Commission required course “Practical Applications” which will not count toward license renewal.

Judy Langdon, Realty Executives of Casper, Real Estate Broker, was censured for violations of WYO. STAT. ANN. § 33-128-111(a)(ii) and (ix) and Chapter II Wyoming Real Estate Rules and Regulations Section 9 (d).

UPCOMING MEETINGS: (Go to: <http://realestate.state.wy.us> then to Scheduled Meetings for times and proposed agendas)

January 13
February 8

Appraiser Board Meeting
Commission Meeting

Location: Casper, Wyoming
Location: Teleconference

From the Desk of Trenton Hogg, Executive Director

I recently received an email from a Colorado licensee asking why Wyoming cancelled the reciprocity agreement with Colorado and alleging “favoritism” and “protectionism” toward Wyoming licensees. To clarify the matter, I responded as follows:

Colorado canceled the license reciprocity agreement between Wyoming and Colorado. So did Kansas, Oklahoma, Idaho, and Montana. Wyoming then cancelled reciprocity agreements with our 13 remaining states (Utah, North Dakota, South Dakota, Nebraska, etc.). Since that time other states have seen the wisdom in doing away with unrestricted reciprocity (i.e. Kentucky just a few months ago). Generally speaking, state regulatory agencies have finally recognized that real estate laws, the practice of real estate, and the knowledge a licensee must have to perform their job well enough to protect the public can all be very state-specific.

You are absolutely correct. This has everything to do with protectionism...CONSUMER protectionism. Many states, including Colorado, have decided it is time for out-of-state licensees to learn the laws of the state in which they desire to be licensed and keep abreast of said laws. Many states are now requiring new out-of-state applicants to be tested on the state-specific law before they are granted a license. Many states are now requiring that an out-of-state licensee take the state’s required state-specific C.E. in order to renew. It only makes sense for a licensee (local or otherwise) to be required to learn the laws where they intend to conduct business and be required to keep their knowledge base up to date.

Frankly, Wyoming used to be unfair to Wyoming licensees. A Colorado licensee could have been selling real estate in Wyoming for decades having never taken the Wyoming state-specific law test and having never taken a minute of our required C.E. All the while, an identically licensed Wyoming licensee would have been required to pass the Wyoming-specific portion of the test and would have had to prove 45 hours of C.E. at every renewal. I ask you if that was fair/equitable to the Wyoming licensee and which agent was most likely to possess the knowledge to do the best job for the consumer in Wyoming? All the WREC has done is level the playing field instead of essentially punish the “locals.”

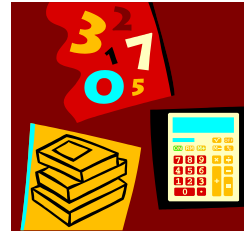
A Wyoming licensee renewing in CO has to meet the same C.E. requirements as a “local” and a Wyoming licensee applying for a new license in CO has to take the Colorado state-specific portion of the test (just like Wyoming does). Granted, Wyoming requires a few more hours every three years in both required and elective coursework than Colorado; but it is fair in that we require it from all licensees (just like Colorado does).

The WREC has “loosened” our C.E. approval requirements in an effort to help non-resident licensees with the new demands. Most of the classes a non-resident takes to renew in their “home” state will count toward Wyoming’s 21 elective hours to renew their Wyoming license. All “required” or “core” courses for other jurisdictions taken during the Wyoming renewal cycle will count toward our electives. Then all that remains are the 3 required courses (24 hours). The WREC authorized those to be provided on-line. To date, however, no instructor has seen a beneficial economic return on investment to do so.

Trenton Hogg

Mission Statement

The Wyoming Real Estate Commission and the Certified Real Estate Appraiser Board are to assist and protect consumers of real estate services and foster economic growth in Wyoming. Through our programs of education, licensing and industry regulation, the Real Estate Commission and the Certified Real Estate Appraiser Board ensure the availability of capable and honest real estate service providers.



How the Numbers Shake Out (Not everyone is getting out of the business)

Two renewal seasons have come and gone during my tenure. In any given year, approximately 250 real estate licenses don't get renewed for a variety of reasons; death, retirement, firm buy-outs/mergers/take-overs, career changes, and the call to greener pastures.

After the renewal season of 2008, the rough number of licenses lost was about 500 (250 more than the norm). After our 2009 renewal season, we estimated a loss of about 600 (350 more than the norm). An interesting footnote is that the actual number of agents on the ground "beating the bushes" has not dropped as significantly as these numbers might allude. Many of the licenses expiring have been Firm licenses. We have seen a good number of small firms combine forces; Ma-and-Pa shops close and their folks move to larger offices; and many a sole-proprietor has gone to a larger company. My assumption is the "overhead" is too much and some costs can be lowered by combining office space rental, secretarial/staff, advertising, and the like. Although the loss of Firm licenses is a major reduction in WREC revenue, none of the above mentioned Firm license circumstances, takes a working agent off the street.

Another factor that permeates throughout the numbers is the loss of renewing Inactive licensees. Both 2008 and 2009 saw very large percentages of Inactive licensees "letting go" of their licenses. My assumption is these folks put their licenses on Inactive status waiting for a better time to re-enter the industry and they must not see this time as soon enough to warrant the renewal fee. Of course, this is unfortunate because these people have put a lot of time, energy, money (blood, sweat, and tears) into acquiring their license. To re-enter the industry at a later date, they now have to start from scratch. Here again is the scenario of no net loss to the number of agents beating the streets since Inactive license holders cannot perform any duties requiring a real estate license. Of the 440 Inactive licenses that could have renewed by December 31, 2009, only roughly 60 did! Thanks to the "grace period" these folks can still renew before March 1st for an additional \$75.

One final unique, yet unfortunate, trend I saw this 2009 season that I didn't notice in 2008, does actually remove agents from the streets. Unfortunately, we here at the WREC opened many an envelope sent from brokers that contained the licenses and pocket cards of agents whose time to renew was not yet due. These licenses were sent in with requests to be put on Inactive status (no charge). I can only assume an agent who has a license that doesn't expire for a year or two who asks to be put on inactive status would only do so because of the untimely annual costs associated with January 1st. Unfortunately, this forecasts future poor renewal seasons and revenues for the WREC.

As of the time of this article the numbers are:

Active licensees	2,460
Inactive licensees	963
Pending licensees	503 (in the grace period)
Active Firm licenses	785 (Corporations, Branch Offices, Sole Proprietorships, LLCs)

Let's not forget our hardworking appraiser brethren:

Active permits	373
Inactive permits	14

We're all in this together, hang in there. Wishing you the best of luck and success in 2010.

Trenton Hogg

GIVE BACK TO THE INDUSTRY AND YOUR STATE. . .

The Wyoming Real Estate Commission will have one 3-year term Commissioner vacancy effective March 1, 2010. A Big "THANK YOU" to Commissioner **Bonnie Baker** for her 6 years of service. With her diligence, we have been able to tackle some important issues.

No more than one commissioner shall be appointed from the same county. Laramie, Sheridan, Platte and Washakie counties are already represented on the Commission. Real estate agents with five years of active practice in the state prior to appointment may apply. Go to: <http://governor.wy.gov/boards-and-commissions.html>. Click on the Application for Gubernatorial Appointment.

HOT TOPIC



This year is a budget year in the legislature and that may result in a fairly quiet session. However, there is one topic of interest to real estate agents and appraisers.

SF0017, Statement of Consideration. This Bill is sponsored by the Joint Revenue Interim Committee. In summary, it makes the Statement of Consideration, signed by the Seller at closing, a public document if the transaction was residential in nature. To follow this file, go to <http://legisweb.state.wy.us/2010/BillsInfo.htm>.

THINGS TO REMEMBER . . .

- BE SURE to notify WREC when your email address changes and check your spam for email from WREC.
- DO NOT let your E & O coverage lapse. WREC does not allow a grace period for renewing your insurance. Limits: \$100,000 per claim; \$500,000 aggregate per year.



Does your license expire on 12/31/2010?

- The renewal form and other information for licenses expiring on 12/31/2010 will be on the WREC website beginning in September, 2010. Please don't wait until the last minute to renew.
- Don't forget to look at your FIRM LICENSE to see when it expires. If it is not renewed in time, the firm and its salesmen and associate brokers will not be able to conduct ANY real estate business until the renewal paperwork is processed by WREC. The charges to get up and running again will be the renewal fee, a late fee and an amount per salesman and associate broker to reactivate each license.

CONTINUING EDUCATION REQUIREMENTS

- CHECK the WREC website for Continuing Education requirements; approved courses; and a schedule of classes being offered. When in doubt, call the WREC office.

Questions? Go to: <http://realestate.state.wy.us>

USPAP Q & A



2010-03: ETHICS RULE – CONDUCT

Disclosure of any prior services regarding the subject property before accepting an assignment, when the client had previously required an appraiser to sign a confidentiality agreement.

Question:

The Comment to the Conduct section of the ETHICS RULE states, in part, “If an appraiser has agreed with a client not to disclose that he or she has appraised a property, the appraiser must decline all subsequent assignments that fall within the three-year period.” Does this really mean that the appraiser could not be engaged by this same client, on this property, within the three-year period?

Response:

Yes. The agreement not to disclose that he or she has appraised the property is between an appraiser and the client. It is possible that a qualified legal opinion might conclude that a confidentiality agreement between an appraiser and a client does not preclude disclosure between the same parties. However, the ASB is not qualified to make such a determination. Without such a legal opinion, the requirement precludes an appraiser from disclosing the prior service and from appraising the property again during this three-year disclosure period.

However, there is nothing that prohibits a client and an appraiser from modifying the prior agreement to allow disclosure. If the confidentiality agreement is amended, the disclosure could be made and an appraisal could be completed for the same client. It must be made clear that if a client releases an appraiser from such a confidentiality agreement, services performed within the previous three-year period *must be disclosed* in the certification of the subsequent report, even if the client is the same for both assignments.

2010-01: ETHICS RULE – CONDUCT

Disclosure of any prior services regarding the subject property, when an appraiser has appraised the property multiple times.

Question:

If I have appraised a property multiple times within the previous three years, do I have to disclose the *number* of appraisal services? (e.g., “I have appraised the subject property three times during the previous three years.”)

Response:

Yes. Each prior service must be disclosed to the client and included in the report certification. This disclosure is similar to when an appraiser has any current or prospective interest in the subject property or the parties involved, which requires that *each interest* be specified. Therefore, *each service* must be disclosed to the client and appear in the certification. (See lines 231-241 in the 2010-11 edition of USPAP)



ARTICLES OF INTEREST . . .

HUD Booklet Urges Buyers to Have Exclusive Buyer Agents

(WASHINGTON) – The National Association of Exclusive Buyer Agents is urging new homebuyers to read HUD’s newly revised pamphlet on homebuyers, pointing out that the booklet touts the value of hiring exclusive buyer agents.

The decade-old government publication “[Shopping for Your Home Loan – HUD’s Settlement Cost Booklet](#),” has been revised to include a number of insights on home buying and obtaining loans.

It now includes the observation, “If you want someone to represent only your interests, consider hiring an 'exclusive buyer's agent,' who will be working for you.”

NAEBA President Benjamin Clark praised the federal agency, saying, “We are pleased to see that the wisdom of having someone in your corner and on your side is being conveyed to buyers by HUD.”

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Buyer Finds Home After Looking at 298 Listings

(TIBURON, Calif.) – The [Wall Street Journal](#) reports homebuyer Linda Pringle has finally purchased a home – having spent three years looking at properties and viewing 298 listings.

The newspaper reported that Pringle saw most of the homes with agent Lindy Emrich of Alain Pinel Realtors but ended up buying her house from an agent who only showed her the one property she purchased.

According to the Journal, Pringle dismissed some homes because of color or distance from supermarkets. One otherwise suitable home was dismissed because the street was too windy.

She finally purchased a home for \$5.9 million that originally had been listed at \$9 million.

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