

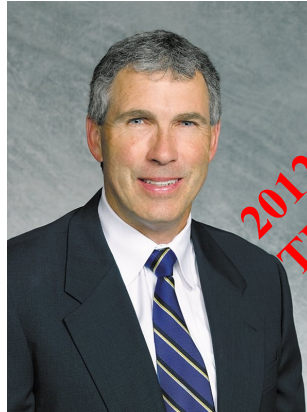
Indiana Real Estate Commission Newsletter



Chairman's Report

By Michael Lunsford, Commission Chair

This week completes my year as Chairman of the Commission. I will pass the lead to Commissioner Paul Boyter who has served as Vice Chair this past year. Commissioner Mark Bock will serve as the Vice Chair. Much has been accomplished particularly in our new License Law which set the stage for much more to be done. Yesterday we passed the Rules overseeing the transition phase from July 1, 2012, to June 30, 2014, which will be effective within the next 30-60 days. At our July meeting the Commission will install the Education Committee which will immediately start the process of overseeing the writing of new content of classes and CE as prescribed in SEA 275. I am excited about the opportunity to better position all of our licensees for success in the safe practice of real



estate. For the first time since CE was installed the Commission has the opportunity to adjust and improve the CE subjects as times change. It is often said by those in education, "it is a crime to bore our students." Our challenge is to approve up-to-date, interesting, and even exciting CE. I am looking forward to the challenge! Your input and support is more important than ever.

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Director's Update

By Jeanette Roberts, Director

The Commission and its staff have been hard at work for the first six months of this year, and we don't plan on slowing down anytime soon. In this issue of our newsletter, we address many of the changes going on at the Professional Licensing Agency involving real estate licensees. This information will prove useful as you plan your real estate practice for the next few years. We hope that our efforts will pay

dividends by giving you the information you need to keep working. Right now change can be found in all areas of real estate, and we want to make this license transition as easy for you as possible.

As always, we welcome all feedback from licensees. Please feel free to contact us 24 hours a day at pla9@pla.in.gov. Our "door" is always open.

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Newsletter Information



Commission Seal

You may have noticed something new on the front of the newsletter. The Commission recently adopted a new seal that it will use on most official documents. Look for this seal anytime a newsletter goes out, a facebook post is made, and on many other communications. While this is not a significant change to our operations, we do hope this small touch will be just another way to improve our outreach to the public and all our licensees.

Contact Us

Have a question about real estate licensing? Need to change information on file with the Commission? Feel free to contact the real estate staff at IPLA by any of the following methods:

Phone: (317) 234-3009

E-mail: pla9@pla.in.gov

Fax: (317) 233-4236

Newsletter

As this newsletter takes shape, we continue to seek as many readers as possible. The Commission includes information on topics that are most pertinent and timely, and is always open to feedback on current issues. We try to include information addressing those topics that are being discussed by licensees.

A link to the last issue was sent by e-mail to 26,559 real estate licensees. Of this number, 3,845 clicked on the link to open the newsletter. While this is a great start for a newsletter that has only gone out twice, we hope to continue to improve our readership so that we stand in a better position to continue a dialogue between licensees and the licensing authority. Our ability to work effectively depends to some extent on the openness of all of you to engage us in this dialogue. Please pass word about this newsletter to your colleagues and peers, and continue to look for future issues as they are released.

Thank you.



The new IREC seal, adopted in April.

Technical Issues

License Law Transition

The questions about the license law transition are coming from all corners of the state. The Commission has created a section on its website that walks licensees through the process that will begin July of this year. To learn more about how the changes affect your license, when you need to renew, what a transition course is, and more, please visit the link to the right.

Website Link



For license transition information, please click the following link:

<http://www.in.gov/pla/3361.htm>

Online Transfers

The Commission continues to use technology to make it easier for you to complete your license transactions. Approximately 90% of our real estate licensees use the online renewal system, resulting in a faster turnaround for a majority of brokers and salespersons.

In our efforts to improve services, we have begun the process of creating an online license reassignment system. It is in the programming process at the moment, but once it is tested and finalized the system will allow for most transfers of license to be completed online, and without the delay and cost of sending in the form and a check. Please continue to monitor this as we move forward.

New Forms

As changes are made to the license law, and as we discover the need for new forms, the Commission website will make these available for your use. We will also alert you to new forms on the [Commission's facebook page](#), and the new twitter feed (see below).

Along with new forms, we are looking to improve the instructions we provide for all licensing activities. Please let us know if there is a licensing task that you find difficult to complete because the process is unclear in any way. We will continue to make every effort to clarify each step so that you can get to work, or get back to work, as quickly as possible.

Tweet?

Any twitterers out there? Or is it tweeters? The Commission has created a new twitter feed for the purpose of sharing more information with licensees. It is a quick way to learn more about Commission activity that does not require much effort. No account is needed, and you don't have to sign in to read the tweets. If you are a "tweeter", though, we welcome you to add us to the list of accounts that you are following. For more, look up the Commission at:

[@IndianaREC](#)



License Transition

2012 Salesperson License Renewal

While the license law transition will bring significant changes to real estate licensing, some things will not change immediately. One of these is the current license renewal for salespersons. Any salesperson who wants his or her license to remain in Active, Referral, or Inactive status needs to complete a license renewal before July 1, 2012.

This will be the last renewal for those licensed as salespersons. Between this renewal and July 1, 2014, all salespersons will be able to transition from their salesperson license to a broker license. Once this transition is completed, the initial license issued in Indiana to those wanting to work in real estate will be the broker license.

The requirements that were in place for the previous salesperson renewal remain in effect at this time. To renew your license, you must have completed the appropriate sixteen (16) hours of continuing education (*unless your license is Inactive or in Referral*), answer all questions on the renewal, and pay the renewal fee. If completed online, your renewal should be effective immediately. If you choose to submit a paper renewal form, please allow some time for processing.



Important Note

One of the most common questions we receive around renewal time is: "Do I need to renew my license if it is (*fill in the license status*)?" If you want your real estate license to be in any status other than Expired, you must renew your license. This is true for Active, Referral, Inactive, and Unassigned. Please be aware of deadlines so that you do not have to pay any fees for late renewal.

Continuing Education

We often receive calls and e-mails during renewal asking us if certain educational courses would qualify for required continuing education, as well as requests for recommendations. The Commission cannot provide a recommendation on courses for meeting continuing education requirements, but we do maintain lists of all courses approved by the Commission. If you are curious whether a specific course meets the requirements in license law, please review the lists found on our website.

Please remember that there are currently two methods by which a course could meet the necessary conditions in license law to qualify for continuing education. One is through Commission approval (courses found listed on our website), and the other is a course taught through an approved organization— a term that was discussed in the previous issue of this newsletter. Please be aware that current legislation will change this process after July 1, 2012, at which time only Commission-approved courses will qualify for real estate license renewal.

Online Renewal



To renew your license, please visit the link below. Login information is explained on the page, and information about the process can also be found there.

<https://mylicense.in.gov/egov/>

License Transition

Change, change, change...

Perhaps the most significant change to real estate licensing brought about by the license law update is the transition away from salesperson licensing. Over the next two years, all salespersons who wish to continue practicing in the real estate industry will be required to complete a twenty-four (24) hour broker transition course, which will also count as their continuing education for that period. This course (including end of course exam), along with an application form, required fees, are prerequisites to upgrading the salesperson license to a broker license. Once these requirements are completed, a current salesperson will receive a broker license.

Broker Transition Course

The broker transition course will be similar in some ways to the broker pre-licensing course currently taught. The transition course, however, is shorter in length, and addresses those subjects necessary to allow for current salespersons to upgrade to a broker license. Among the subjects to be included are: brokerage operations, financing and appraising, government regulations, Indiana license law, and professional standards.

The Commission will begin approving courses to be taught as transition courses once the rules listing course requirements are finalized. The rules will be voted on by the Commission at its June 6 meeting, and should they be approved, the rules will go to the Office of the Attorney General for review. If approved at this stage, the rules go to the Governor to receive final approval. In all, the process can take any where from two weeks to a month.

Broker Transition Course Providers



When they are approved, broker transition courses will be listed at the following link on the Commission's website:

<http://www.in.gov/pla/3415.htm>

The Commission will be approving any course taught as a broker transition course. Because the courses will be approved sometime in July, depending on the rules process, any salesperson who is interested in transitioning to a broker license should check the Commission website for updates. As courses are approved they will be listed at the link above. All salespersons will have until June 30, 2014 to complete the broker transition course.

Typically, a salesperson who upgrades to a broker license has to have been active in the business for one year before they could apply to receive a broker license. For this transition period this requirement will not apply, meaning any salesperson who meets all other requirements will not have to demonstrate that he or she was active for one year in order to receive a broker license. Once all necessary documentation and fees have been submitted, the salesperson who is approved for a broker license will receive it at that time.

An application form is being created for the transition process, to be submitted by salespersons after completion of the transition course. Please continue to watch the Commission facebook page, twitter feed, and these newsletters, to find out more information as it becomes available.

Important Note



To summarize the information above, once the transition course rules are finalized by the Commission (mid-July), all salespersons will have between July 2012 and June 30, 2014 to:

- Complete a 24 hour Commission-approved broker transition course
- Take and pass the broker transition course examination
- Submit a broker transition application and required fees

License Transition

Looking to the Future

Much of Senate Enrolled Act 275 is effective July 1, 2014. This means that many of the license law changes do not happen until the salesperson transition has been completed. The following information outlines some of the changes to expect in the future.

In the Year 2014...

- **The Commission will no longer issue salesperson licenses.**

After July 1, 2014, the salesperson license will no longer be issued to applicants for real estate licensure. The broker license will be the initial license in the profession, and anyone wanting to be licensed will have to complete requirements to be licensed as a broker.

- **New applicants will be required to have a high school diploma.**

Previously, a diploma was not required for licensure as a salesperson. This will be required of all new broker applicants.

- **New real estate broker applicants will have to complete ninety (90) hours of pre-licensing education.**

The old pre-licensing requirement of fifty-four (54) hours will be increased to ninety (90) hours of education. As before, these courses will require approval from the Commission.

- **Principal brokers will be called managing brokers.**

This will be more than a simple name change, as managing brokers will be required to complete specific courses related to broker management as part of their continuing education requirements.

- **License renewal will occur every three years.**

Where real estate licenses were previously renewed every two years, renewal will now occur every third year, beginning July 1, 2014.

Important Note

Please note that all of the changes listed below are not effective until July 1, 2014. Additionally, some of these changes may themselves be adjusted in the time between now and then. As always, please stay up-to-date by visiting the Commission's website, facebook page, and twitter feed, to learn more as more information becomes available.

- **Continuing education will consist of twelve hours each year.**

To qualify for renewal of a license, all brokers must have completed twelve (12) hours of continuing education each year of the three year renewal period. This means a total of thirty-six (36) hours of continuing education shall be completed every three years.

- **Continuing education courses will no longer be designated "mandatory" or "elective."**

The curriculum for brokers will not be divided into required and chosen courses. Instead, all courses must be within a subject approved by the Commission.

- **Continuing education subjects will be reviewed on a regular basis.**

The Real Estate Education Advisory Committee, which will be established in July of 2012, will make frequent recommendations to the Commission on what subjects to approve for continuing education.



License Transition

Attention Brokers

Brokers who plan on renewing their licenses in 2013 should keep an ear out for changes to the renewal process that may be coming. Because all licensees will be brokers after July 1, 2014, this will require a synchronization of renewal periods for salesperson and broker licensees. Nothing has changed at the moment, but please continue to read these newsletters, check the Commission website, watch the Commission facebook and twitter feeds, and keep in contact with Commission staff at IPLA. We will keep you informed as new information is received.



Once all the license law changes go into effect on July 1, 2014, real estate companies will look a little different. Currently, a principal broker is appointed as the “head” of the company, with brokers and salespersons associating with the company. This will change, with managing brokers operating in the same capacity as principal brokers do currently, and all others associated with the company being brokers.

Our online license search will continue to reflect the structure of a broker company as it does today. Those who are designated as managing broker will appear as such on the search, and the broker or company any broker chooses to associate with will be displayed as the “employer/manager” as well.

Any broker who wishes to become a managing broker after July 1, 2014, will be required to complete a twenty-four (24) hour broker management course. The course will address subjects specific to management concerns within a broker company. The Commission will develop a required curriculum outline for this course in the near future.

Managing Broker

The designation currently given to the head of a real estate broker company is “Principal broker.” This name is reflected in the license number assigned, which starts with a “PB”. One of the changes that will be brought about by the license law update after July 1, 2014, is the renaming of this position to “Managing broker.” Other changes will affect how these brokers are licensed, and requirements for holding and maintaining the license.

First, all principal brokers that are appointed as such for broker companies will be transitioned to managing broker licenses on July 1, 2014. These brokers will not have to apply for this change.

Managing brokers will be required to complete a different continuing education curriculum from other brokers. Four (4) of the twelve (12) hours of required continuing education each year will have to be in specific broker management courses that are approved by the Commission.

Important Note

If you are applying for initial licensure or applying to reassign to a new company, check to see if the company you are wanting to associate with has a license number. While your principal broker will always have a license number, you need to list the company number if it has one. This allows us to associate your license with the company, meaning a change in principal broker will not require transfers of all associates at the same time. This saves your company time, and money, and makes the process easier for everyone.

Commission

Commissioner Spotlight—Norman McClain

Commissioner McClain began working in the real estate industry as a sales associate with the McClain Mathews Company, where he soon became a manager and then Senior Vice President. In 1981, he opened his own company. After his company was purchased McClain worked for the Real Estate Certification Program in Bloomington. Several years later he accepted the position of Broker/Owner of RE/MAX Preferred Realtors in Greenwood. After selling Preferred to RE/MAX in 2008 McClain joined his son’s company, where he works today.

Throughout his career as a real estate broker, Commissioner McClain has served many boards and associations, including IAR as President, MIBOR as Director and President, and Johnson and Morgan County Boards of Realtors as President. At each of these associations he served on many working groups and advised in numerous capacities.

McClain was appointed to the Real Estate Commission in 2005, by Governor Mitch Daniels. He has served as Commission liaison, on several committees, and as an ALJ Panel member. McClain describes his service as an honor in which he is committed to serving Indiana to the best of his abilities.



Commission Meetings

Commission meetings are open to the public, and attendance by licensees is always encouraged. Meetings begin at 9:00 a.m., and are held in the Indiana Government Center South building. Below are the dates for 2012.

2012

- June 6
- July 11
- August 22
- October 3
- December 5

Members of the Commission

<u>Member</u>	<u>Congressional District</u>
Mark R. Bock	3rd
Paul Boyter, Vice Chairman	At-Large
Jarod Brown	Consumer
Suzan M. Cox	2nd
Susan Daniel	Consumer
D.J. Hines	9th
H. James Litten	5th
Michael O. Lunsford, Chairman	6th
Norman E. McClain	7th
Carolyn McClintock	8th
Timothy Reed	1st
Charles W. Shook	4th

License Discipline

In its task of consumer protection, the Commission hears complaints brought by consumers to the Office of the Attorney General. If the Commission finds that violations of license law have occurred, it may choose to discipline the license of the individual found in violation. The forms of discipline range from a letter of reprimand to revocation of a real estate license. The filings in these disciplinary hearings are public record, and can be found following the link to the right.

This section contains a list of licensees who have been found in violation of license law and disciplined by the Commission at its most recent meeting. Because discipline does not always remain on a license for an indefinite period, it is recommended that you use the License Search and Verify to confirm the current license status of any individual on this list. For any other questions about license discipline, please contact IPLA staff.



For More Information...



You can find more detail on disciplinary procedure, as well as public records from disciplinary actions by visiting the following link: [PLA Litigation Search](#).

Eloise Blackmon's license (AB20702483) was summarily suspended by the Commission after a hearing, finding that she represents a clear and immediate danger to the public health, safety, or property, if allowed to continue to practice, in that she has pled guilty in Federal court to two counts of wire fraud, and one count of conspiracy to commit wire fraud.

Lori Morgan's license (SP31012249) was revoked by the Commission after a hearing, finding that her conduct violated Ind. Code § 25-1-11-5(a)(4)(A) in that she had engaged in material deception in order to gain a license when she answered renewal questions regarding license discipline falsely.

Brenda Stephens' license (PB51398337) was suspended by the Commission after reaching a settlement agreeing that her conduct violated Ind. Code § 25-1-11-5(a)(1)(B) in that she engaged in fraud or material deception in the course of her business when she participated in a mortgage fraud scheme.

Myrna Stevens (SP30704995) was issued a letter of reprimand by the Commission after reaching a settlement agreeing that her conduct violated Ind. Code § 25-1-11-5(a)(3) in that she continued to represent buyers in a transaction after her license had expired.

Teresa Marlow (PB21200021) was issued a letter of reprimand by the Commission after reaching a settlement agreeing that her conduct violated Ind. Code § 25-1-11-5(a)(4)(B) in that she abandoned records containing the personal information of clients.

Jerry Wakeman (PB20601411) was issued a letter of reprimand by the Commission after reaching a settlement agreeing that his conduct violated Ind. Code § 25-1-11-5(a)(1)(B) in that he engaged in material deception in the course of his business when he charged eleven clients a transaction fee without properly disclosing it to all parties.

Attorney General News

Human Trafficking

The information below is presented to you by the Office of the Attorney General as part of an ongoing effort to address the issue of human trafficking. This issue received some attention during the recent Super Bowl in Indianapolis, but it is more prevalent and complex than one might think.

Human trafficking is the fastest growing and second largest criminal industry in the world¹, and nearly 300,000 U.S. children are at risk for sexual exploitation². Shockingly, the average age that minors in the U.S. are pulled into commercial sex is 12-14³.

This is eye-opening, but how does it relate to real estate professionals? Traffickers sometimes hold victims in empty houses, especially those that are foreclosed, in disrepair, and unlikely to attract buyers; they also move victims frequently, and realtors may encounter them as squatters⁴. For example, one California realtor notified the police after she found a blanket and a bucket that had been used as a toilet in the garage of a house she was showing. As a result of her response, the police identified a human trafficking victim being held in the house⁵. Because of the potential for real estate professionals to come in contact with trafficking victims, it is important for them to learn how to recognize a victim and how to report potential trafficking situations.

Sex trafficking is a commercial sex act induced by force, fraud, or coercion, or in which the person induced is under 18 years of age⁶. In the state of Indiana, anyone induced in commercial sex who is under the age of 16⁷ is considered a victim of trafficking⁸. Labor trafficking is the "recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of... involuntary servitude, peonage, debt bondage, or slavery."⁹

Victims of human trafficking often come from poverty, unemployment, and childhood abuse, and often, they are coerced into their current situations. In cases of sex trafficking, victims may have been

wooded into romantic relationships that later turned into being pimped out for the "boyfriends" profit. Contrary to commonly believed myths, prostitution is not a victimless crime committed between two consenting adults. Whether involving adults or minors, the risks of the commercial sex industry are so high that the average age of death among prostitutes is 34, and "...the *American Journal of Epidemiology* reported that prostitutes suffer a 'workplace homicide rate' 51 times higher than that of the next most dangerous occupation, working in a liquor store."¹⁰ While in the commercial sex industry, women face violence, abuse, and rape at the hands of both traffickers and those who purchase their "services."

Victims of trafficking often cannot escape, because traffickers threaten to harm them and their families if they try to leave. Also, they commonly lie to victims about their legal rights, and in cases of foreign-born victims, traffickers may threaten that they will be deported if they try to leave. In addition, traffickers usually have a strong physical and psychological hold on the girls they "manage."

It is our responsibility as community members to speak out against this crime and demand that it be stopped. How can we do this? We need to report activity that we suspect could be human trafficking. A victim of human trafficking may appear to be under the control of someone else at all times, may have signs of physical abuse, and may seem extremely anxious or depressed. They may live and work in the same location and may not be free to leave as they wish. For these and other indicators of human trafficking, and for more information on what you can do to join the fight against this crime, please visit [this webpage](#).

Finally, if you believe that someone may be a potential victim, please call the National Human Trafficking Resource Center Hotline at 1-888-3737-888. If someone is in immediate danger, call 911.

If your organization is interested in holding a training on human trafficking, please visit [this webpage](#) and make a request.