



REAL ESTATE LICENSEE UPDATE



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What Were the Changes to the Agency Law?

There were three important changes to the agency law: ensuring that the agency law terminology matched the changes from 2010 real estate licensing law, defining when a licensee is dual agent, seller’s agent or buyer’s agent and finally, defining licensee duties listed in the agency law are statutory obligations.

Since the issues of representation occur daily for licensees, this article will focus to that scope. Reading RCW 18.86.020 should be your first step in understanding the revised agency law. The following chart helps to summarize the effects of the revised law.

Situation:	In which case:
Licensee is the seller.	The licensee is a seller’s agent.
In-house transactions where one licensee represents the seller and one licensee represents the buyer.	The designated broker and the branch manager are dual agents.
In-house transactions where the managing broker manages both the seller’s agent and the buyer’s agent.	The managing broker is a dual agent.
Licensee performs brokerage services for a buyer and there is no agency agreement to represent the seller or the seller and buyer together.	The licensee is a buyer’s agent.
The real estate firm has a written agency agreement appointing the licensee to represent the seller.	The licensee is a seller’s agent.
The licensee has a subagency agreement with the seller’s licensee or firm.	The licensee is a seller’s agent.
The real estate firm has written agency agreement appointing the affiliated licensee to represent both parties.	The licensee is a dual agent.

- Important questions to consider when applying this law to your daily practice:
- Two different firms co-operate on a new housing development and co-list numerous homes. What considerations should be given?
 - We use another licensed real estate firm that negotiates short sales with the lender. This firm co-lists the property with us. Is this an issue?
 - The revised law dictates appointing a broker for the client’s representation. Who can make this appointment?
 - What responsibilities does a licensee have when listing a house for a seller and simultaneously assisting the seller in purchasing a new home that is listed in-house?

Please keep in mind that there are several considerations when addressing these and similar questions. Licensing requirements and civil responsibilities should both be considered. Hopefully the above questions will start your quest for answers and guidance in complying with the revised law. We strongly encourage you to begin with your designated broker and your company’s legal counsel. Your professional trade association or multiple listing service are also very good sources of information. □

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Commissioner Corner: Jess Salazar

The Hispanic Real Estate Market

Brokers should develop strategies to target the Hispanic demographic. According to a study, "State of Hispanic Homeownership", produced by the National Association of Hispanic Real Estate Professionals (NAHREP), the growth of Hispanic home ownership in the US continues to grow and is attributed to the importance homeownership plays in the Hispanics culture as it represents a symbol of success and accomplishment.

I recently had the pleasure of participating as part of a panel at the South King County Women's Council of Realtors luncheon. The question was asked, "Do Hispanics prefer to work with Latino brokers"? My response was that unlike some ethnic groups, Hispanics will work with anyone who will provide them good service and they have an innate sense of loyalty. Sales happen because of relationships and the Hispanic culture revolves around relationships.

The NAHREP study reported that Hispanic homeownership grew from 4.2 million in 2000 to 6.7 million in 2012. Hispanics are expected to account for 40 percent (5 million) of the estimated 12 to 14 million net new households within the next decade. "Economic and demographic trends demonstrate that the Hispanic community will be a force behind revitalization and growth of the nation's economy."

Diane Sawyer, ABC World News, reported in their "Made in America" series that Latino's purchasing power in the US was 1.25 trillion dollars in 2012 and that amount is expected to continue to grow. An example of the Latino impact on the economy is the Bimbo Bread Company, the largest bread producer in Mexico. Because of the Hispanic demand in the US for their products Bimbo has opened 80 plants in the US creating 40,000 jobs. On a recent Sixty Minute segment it was reported that exports to Mexico in 2012 were 1.98 billion and are expected to grow by 12% in 2013 creating 2 million jobs in the US.

The pending legislation on immigration reform has the potential of creating many real estate buyers. Senator Ted Cruz (R) Texas reported that the Gang of Eight Legislation, in its present form, will create a group of immigrants known as Resident Provisional Immigrants (RPI), which will be exempt from the penalties employers are responsible for under the Obamacare Insurance Program thus making them a more desirable employee. Alabama Republican Sen. Jeff Sessions: "Within a few months everyone who applies for the Registered Provisional Immigrant status, the provisional status, will be given a social security card and the right to go to work." According to Senate office figures 2-3 million adult immigrants would be eligible for the expedited citizenship which represents a lot of buyers.

There are no particular do's and don'ts when working with Hispanics. Mexico is part of North America and as such the US and Mexican cultures have become so blended that distinctions are becoming less discernible. Hispanics consider the American dream to be well and alive and homeownership continues to be a priority.

Jess Salazar, Real Estate Commissioner



"The housing market continues to make a strong comeback and Hispanics homebuyers are a significant reason for the rebound."

Gregg Mansfield –
HispanicBusiness.com



Real Estate Licensee Update
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Real Estate Market Roundup

Glenn E. Crellin, Associate Director for Research, Runstad Center for Real Estate Studies, University of Washington

Concern in some circles about the housing market has switched from when (or whether) the market would rebound to concern that a new bubble is forming. Sales have increased (although limited inventories of homes available for sale have limited potential expansion); home prices have increased rapidly (again, limited inventory is a factor); and construction activity is ratcheting upward. The apparent countervailing factor is increasing foreclosures in the state, but more on that later.

Sales and Construction Activity

Home sales activity in the first quarter of 2013 increased 5.6 percent above the seasonally adjusted annual rate of sales reported for the final quarter of 2012, registering an 88,440 unit pace. This is a level 14.7 percent above the same time period in 2012. This was the highest sales pace since the third quarter of 2007, just as the market was moving toward the recession.

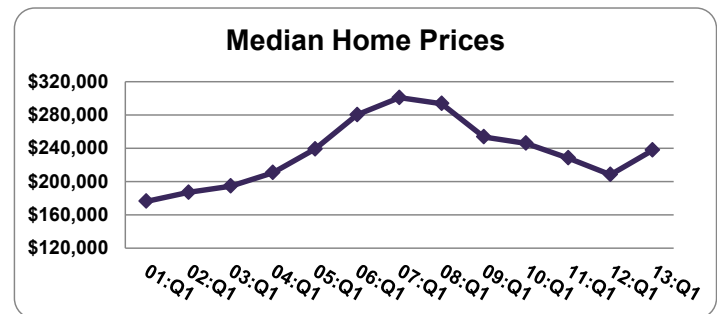
Given the improving statewide market, it is no surprise that most parts of the state reported improved sales. Nine counties had lower sales rates than in the fourth quarter of last year, and only four counties were down compared to a year ago. Grays Harbor County was the only place with lower sales in both cases. In terms of metropolitan areas, the extremes were a quarter-to-quarter increase of 27.8 percent in Asotin County (Lewiston, ID-WA) and a decline of 4.4 percent in Skagit County (Mount Vernon/Anacortes). The state's largest market, King County, reported a sales rate of 25,180 units, a drop of 0.7 percent compared to late 2012, although the sales rate was 13.3 percent above a year earlier.

While quarterly data on residential building permits are also available, the annual data is far more complete. In 2012 there were building permits issued for 28,118 residential units (homes and apartments) throughout the state, an increase of 34.8 percent compared to 2011. Single-family permits increased 25.5 percent, demonstrating that the rental apartment construction was especially improved in 2012 (consistent with other information reported about the rental apartment market). The importance of real estate construction to the state is demonstrated by the fact that the value of residential building permits issued last year (excluding land values) was \$6.5 billion.

Home Prices

The median home price in Washington during the first quarter was \$237,600, a level 14.1 percent higher than a year earlier. As a median, half of the homes sold during the period were higher, and half lower. The change in median is reflective of general trends, but does not represent an appreciation rate since the composition

of sales changes from period to period. Repeat sales measures, for example the data from the Federal Housing Finance Administration or S&P/Case Shiller match the sales of the same property over time.



Local medians ranged from a high of \$412,500 in San Juan County to a low of \$65,000 in rural Lincoln County. While the median price was higher than a year ago in 30 of Washington's 39 counties, there were areas with lower medians. The greatest percentage increase in prices was 28.9 percent in San Juan County, while the greatest decline was 16.7 percent in Wahkiakum County. Among urban counties the extremes were an increase in the median price of 25.4 percent in Clark County and a decline of 9.4 percent in Chelan County.

Affordability

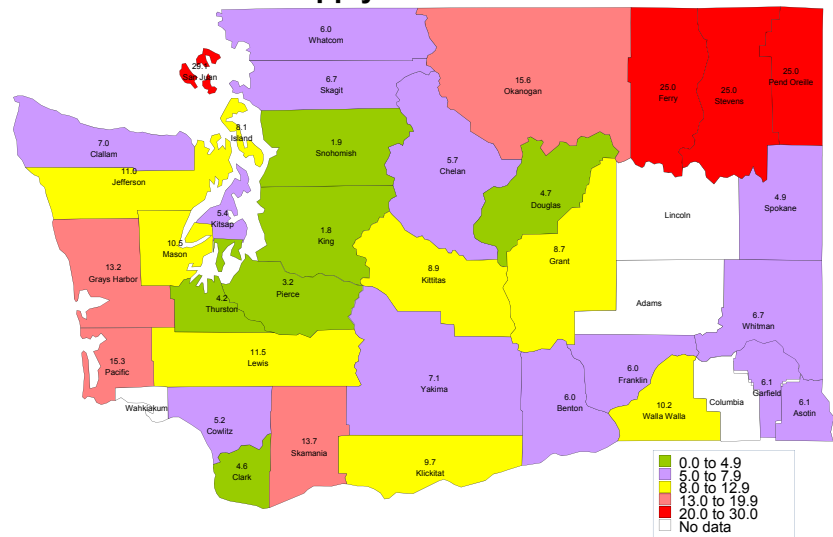
Determining the affordability of a home is clearly more than just the selling price. Mortgage interest rates, which have been generally falling for 25 years helped households absorb increasing prices, and when combined with the declining prices during the recession, resulted in record high affordability. Early 2013 saw a continuation of interest rate declines, now combined with rising prices. The third leg of the affordability stool is the income available to the prospective purchaser to cover housing costs.

The Runstad Center produces two measures of housing affordability, following the model developed 30 years ago at the National Association of Realtors. The All-Buyer Housing Affordability Index (HAI) compares the mortgage payments on a median price home to median FAMILY income (2 or more persons, related by blood, marriage or adoption) assuming a 20 percent downpayment and allocating 25 percent of gross income to principal and interest payments. An index of 100 means the family can just afford the median price home, and higher values are more affordable. The statewide HAI in the first quarter was 177.2, meaning the typical family has 77.2 percent MORE income than the minimum required to

qualify for a mortgage on the median price home. All Washington counties except San Juan reported index levels above 100. The range of values was from a low of 92.1 in San Juan County to a high of 481.5 in Lincoln County with its very low median price and small population. Among urban markets the affordability indices ranged from a low of 134.6 in King County to a high of 243.8 in Cowlitz County.

The challenges are greater for first-time buyers who typically have lower incomes and fewer assets. While they tend to purchase less costly homes (85 percent of area median), it is still a stretch. The first-time buyer index (FTBHAI) takes these differences into account. The statewide FTBHAI in the first quarter stood at a record high 104.4. This means households in Washington have a good opportunity to attain homeownership. Only eight counties recorded first-time buyer index values less than 100, compared to 15 a year ago. Among the metropolitan counties the range was from a low index of 77.3 in King County to a high of 129.0 in Benton County.

Month's Supply of Homes on Market



Inventory for Sale

Increased levels of home sales and sluggish new listings have produced a clear shortage of homes on the market. At the end of the quarter the various multiple listing services throughout the state reported a total of 28,315 homes currently available for sale, 19.4 percent fewer than a year ago. When combined with the current seasonally adjusted sales rate, that means the current inventory is capable of sustaining the housing market for only 4.2 months. Analysts generally believe that a six-month inventory is needed for a stable housing market. The shortage of listings was especially pronounced in the greater Seattle area. Rural counties continue to have an abundance of homes on the market. These statistics suggest that home prices may continue to rise rapidly in urban areas while prices may continue to decline in less populated markets.

Data from CoreLogic and Zillow suggest that declining proportions of homes are still underwater. At the same time lenders seem to be releasing more of the homes they have acquired through foreclosure to the sales market. In addition, foreclosures in Washington are bucking national trends and increasing despite the improving market. This may seem counter intuitive, but is in fact a reflection of the fact that during 2012 the foreclosure process was slowed as the Foreclosure Fairness Act required a mediation period where borrowers and lenders tried to develop a repayment strategy in lieu of foreclosure. The properties where that process failed are not working their way through the system more quickly.

During the first six months of 2013 a total of 9,020 foreclosures were completed in the state of Washington (two thirds in the 5-county Central Puget Sound Region). A year earlier only 5,057 foreclosures were completed in the first half. □

Disciplinary Actions, continued from page 8

Gary Hall — Seattle

Finding: Unprofessional conduct — Received a Summary Judgment and didn't report it within 20 days, and falsely answered questions on transfer application.

Action: Real estate broker license suspended 1 year, with suspension stayed (not imposed) for 3 years.

Leldon D. King — Anacortes

Finding: Unprofessional conduct —

- o Performed real estate-type transactions without an active license.
- o Didn't exercise reasonable skill and care.
- o Didn't deal honestly and in good faith as a real estate broker.
- o Knowingly committed, or was a party to, a material fraud,

misrepresentation, concealment, conspiracy, collusion, trick, scheme, or devise whereby another person lawfully relied upon the word, representation or conduct of the licensee.

Action: Real estate broker license revoked for 3 years on April 19, 2013.

Deborah Thaut — Cheney

Finding: Unprofessional conduct — Listing information was incorrect, and property map included property that wasn't part of property purchased.

Action:

- o Real estate broker license suspended 2 years, stayed (not imposed) for 5 years on the condition no other violation occurs.
- o Required to complete an Ethics course and a Land Sales course.
- o Fined \$1,500.

Dealing With Those %\$+!# Appraisals!

Residential appraisers can often feel like Rodney Dangerfield who 'got no respect'. Whether the market is going up or down they are labeled the 'deal killers' with value estimates that are too low, or not high enough. They are criticized for being narrow minded or for looking only to the past. They are accused of lacking common sense, providing unhelpful estimates of value, and, my favorite, not being 'team players'.



The valuation profession was blamed for the savings and loan crisis in the late 1980's and the more recent recession of 2008 by being overly aggressive with past estimates of value. Other times they are accused of valuing too low and strangling growth. As result there has evolved an increasing amount of legislation that clarifies the independent roles and obligations of both lenders and appraisers. Most of these rules do not, it is clear, make real estate agents or their clients happy.

Here is a look at some of the news stories that have been written over the last five years.

"Moss blankets the house's roof. The siding is rotting off. And mold has spread through the interior. But the home's condition is 'average' according to an appraisal. It's one clear example of how many appraisers hide problems and affirm inflated prices willingly or under pressure from the mortgage brokers and bankers who give them business – calling into question whether home buyers are getting what they pay for. 'We're pressured to hit the value every time, every single sale' said appraiser Richard Hagar... It's a problem that is more common as buyers vie to outbid each other in recent go-go markets such as Seattle's. And increasingly buyers may find in coming months that they paid too much, as slowing appreciation and rising mortgage interest force them to sell at a loss. **Aubrey Cohen, "Home Appraisers Pressured to Fudge the Numbers", Seattle PI, July 30, 2007**

"More deals are falling apart in a housing market that needs transactions to recover from a three-year slump that has dragged the U.S. into a recession. Low appraisals join a list of suspected obstacles standing in the way of a rebound that includes rising interest rates, a glut of foreclosed properties and the highest unemployment rates since 1983." **Dan Levy, "Low Appraisals May Be Chilling Home Sales", Bloomberg News (Printed in Seattle Times), June 25, 2009**

"The adage is that a home's value is worth whatever a buyer is willing to pay for it. But these days, the new version might be that a home's value is worth whatever an appraiser says it is. In a housing market where home prices are still seeking a new normal...appraisals once seen as home buying formalities have a seemingly newfound power to stop deals in their tracks." **Jane**

Hodges, "Appraisals Stymie Deals as Market Values Drop", the Seattle Times, July 29, 2011

"Even as buyer confidence climbs, the local housing market still faces a tough reality: Appraisals are falling short of what many buyers are willing to pay. It's a problem that is weighing down home prices and stalling a more robust recovery, some real-estate agents say. And they find that surprising in a market where inventory is scant and multiple bids on homes are becoming more common." **Jim Buchta, "How to Avoid a Low Home Appraisal", Star Tribune (Printed in Seattle Times), August 10, 2012**

"While low home values continue to be an obstacle in the way of a full housing recovery, more and more markets in recent months have experienced home-price improvements. Although home prices are up in some areas, many real estate agents, homeowners and homebuyers alike are frustrated that appraisals aren't keeping pace with current home-price appreciation". **Margaret Burnette, "Problems Persist, But Appraisals Are Improving", HSH.com, January 3, 2013.**

While many of the facts in the story lines are true, the public's disappointment with appraisers and their opinions are often based on a failure to understand who appraisers are and what they are required to do.

What is the Purpose of the Appraisal?

A residential appraisal is often an opinion of market value provided by an appraiser and used in a residential purchase and sale. It is a required component for federally-regulated financial institutions when generating home loans. When a loan request is initiated by a purchaser, the lender will contract internally or externally with an appraiser or independent entity that manages the ordering of appraisals and their subsequent review. The lender or this entity, whether it is an Appraisal Management Company or a separate appraisal department within the lending institution, is the appraiser's client. The appraisal will be developed and reported to the standards agreed to in the engagement with the client. Even though the loan applicant (purchaser) paid for the appraisal, and many states require the lender to provide the purchaser with a copy of the appraisal, the lender, lender's appraisal department, or AMC remains the client and not the real estate agent, the purchaser or the seller.

Appraisers must be state licensed or certified and the appraisal must conform to the *Uniform Standards of Professional Appraisal Practice* (USPAP). USPAP, among many other things, requires appraisers to be "independent, impartial, and objective, and to perform

Dealing With Those %\$+!# Appraisals!, continued from page 5

assignments without bias". Overall, USPAP is a broad set of minimum standards for how an appraisal should be developed and reported.

In 1989, the *Uniform Standards of Professional Appraisal Practice* (USPAP) was authorized by Congress as the minimum performance standards for appraisal practice in the United States. Published by The Appraisal Foundation, USPAP is recognized as the source for standards for professional appraisal practice. The main purposes of USPAP are to protect the public and to promote public trust in the appraisal process. Compliance with USPAP is enforced by state regulatory agencies. In Washington this is the Department of Licensing. To retain their credential appraisers must be renewed every two years, after obtaining required continuing education.

An understanding of USPAP standards can be helpful to users of appraisal services. The Appraisal Foundation (www.appraisalfoundation.org) has several useful brochures available free on their website, including *The Appraisal Standards Board and USPAP; Appraisers, Appraisals, & You: A Lender's Guide to USPAP; and A Guide to Understanding a Residential Appraisal*.

The appraisal has been legislated into the lending process because it is considered critical documentation that supports the amount and quality of the collateral on a related loan. In most home purchase transactions, the mandated impartiality built into the appraisal requirements can often mean that the appraiser, who is paid a specific fee, is the only participant that isn't 'invested' in the transaction. Virtually all of the other parties to the transaction including the buyer, the seller, real estate agents, mortgage brokers, banks, and title companies only benefit if a sale is ultimately consummated.

Who are State Licensed and Certified Appraisers?

There are two levels of residential appraiser certifications within the state of Washington, *Licensed* and *Certified Residential*. The *Certified Residential* category is most prevalent and represents the highest, residential only, credential.

An individual credentialed as a *Certified Residential Appraiser* is qualified to appraise one-to-four residential units without regard to complexity or transaction value. To obtain this credential the individual must have an Associate Degree or have completed 21 hours of specific college-level semester hours, completed 200 hours of appraisal-specific education, complete 2,500 hours of work (24 months) in the appraisal process under the guidance of a supervisory appraiser, and complete a national examination specific to this level.

In a USPAP-compliant appraisal it is not the appraiser who establishes value but the marketplace. Appraisers are investigators and reporters who assess the activities



of willing buyers and sellers and the environment in which they operate. This starts with a clear identification of the property being appraised, the type of value being requested, and how the value is to be used. Appraisers must also assess the relevant market conditions.

Once the subject property and its market area are identified, the appraiser researches closed and pending property sales, current listings, active and proposed construction and other economic influences that reflect the subject's applicable supply and demand environment. The data is analyzed and used to develop an array of value indications upon which to develop the reported estimate of value. It is also typical to determine the likely reproduction or replacement cost of comparable improvements on a similar site in a similar market area. From these two independent analyses, the appraiser reconciles the relative strengths of the data and reconciles to a single value estimate.

What is a "Good" Appraisal?

An appraiser has a legal, ethical and contractual commitment to provide an accurate and objective estimate of value that is not influenced by the interests of any particular party. And, a credible appraisal must be an opinion that is based on independent, impartial and objective thought. It is an estimate of value as of a specific date in time that should include the following:

1. A clear, accurate description of the subject property
2. Sales that are the most recent and most comparable
3. Comments that explain the important issues in the appraisal
4. An opinion of value supported by the analysis of the comparable sales

A credible appraisal is not determined by whether the estimated value mirrors or exceeds the price agreed to on a Purchase and Sale Agreement. When an appraisal is lower than this agreed upon price, it can be hard for those parties relying on a successful close to understand. But in any market there can be buyers who may pay more for a property than it is deemed to be worth based on comparable sales. An individual can conceivably 'fall in love' with a house or there can be personal reasons a buyer may have for paying what appears to be a premium for a particular property. Some buyers may not have all the relevant information on the property that impacts value or lack the specific skills to analyze a single property's value relative to other similar properties. This is why an accepted offer on any particular, individual property may or may not reflect the property's worth in the broader market.

Remember that this appraisal is not intended to support or thwart the agreement between the buyer and seller. The independent value estimate is intended for use by a lender in determining a loan amount.

Another common criticism occurs when the property being appraised represents new construction or a home that has

Dealing With Those Appraisals!, continued from page 6

been recently remodeled or improved. A home's value on the date of the appraisal, based on recent sales, can be less than the cost to construct comparable improvements on the site. And the prospect that a market value estimate will not offset a builder's investment in a newly constructed home, or a seller's investment in a new kitchen or bath, pool or shop is not welcome news.

The biggest challenge for valuers is when markets are less active or in a period of rapid change. The criticism that an appraiser only looks back in time to estimate value is only partly true. Previous activity, when data is available, can support trending a market value up or down to reflect a current date. What can't be supported is a value estimate based solely on the indication of the subject property's from a Purchase and Sale Agreement that has yet to close. Can it be considered? Of course. But it must be supported by additional, independent market activity. Appraisals are an individual opinion of value and require judgment. A good appraisal will consider all information the market may offer, even if sales represent a small portion of the data available. However, there are still rules of appraisal as well as the requirements of lenders who engage appraisers, that must be followed.

What if it is a Bad Appraisal?

Remember, it is not necessarily a bad appraisal if the value does not hit the sale price! But there are occasions when an appraisal may not be correct. USPAP has many expectations for appraiser performance including:

- Have the knowledge and experience to complete the assignment competently. This refers to competency in property type and location.
- Identify and complete a scope of work (breadth and type of analyses) that meets or exceeds the expectations of typical users of appraisal services and an appraiser's peers. It is also required that the breadth of analyses not be so limiting as to be compromise the credibility of the results

An appraiser has an obligation to complete sufficient investigation to ensure that all relevant information

is considered. In periods of newly rising or falling markets, appraisers are often criticized for only looking at old sales that don't reflect new trends. But there are many ways an appraiser can compile information to better assess market trends more accurately. And they are obligated to do what is necessary to ensure the value estimate is credible.

If there are questions about the credibility of an appraisal, the borrower can talk to the lender. If there is additional information one thinks should be considered by the appraiser, ask if the lender will forward it along. An appraiser may revise their estimate if new information is relevant and warrants value revision.

If you feel there are more serious competency or judgment problems with an appraisal, you can submit a complaint to the Washington Department of Licensing. Their investigators will review the work and make a decision as to the appraisal's compliance with USPAP. If there is a violation, action is then taken. The link to the complaint form and a more detailed explanation of the process is located at <http://www.dol.wa.gov/business/appraisers/appcomplaint.html>

Summary

Appraisals have a specific purpose for a specific client. It can be difficult to manage expectations and stress if real estate agents and home buyers as well as sellers are not clear on the scope and intent of the appraisal. Appraisers receive a lot of pressure to 'hit' a certain number or risk losing future assignments from lender-related clients. They are equally pressured, as credentialed professionals subject to USPAP compliance, to vigorously protect their integrity and independence even if that means walking away from a financial benefit. As professionals, appraisers must expect to be held accountable for the quality of their work. There is also a mutual responsibility for clients and users to report potential violations and for the Washington Department of Licensing to oversee and enforce. As professionals, appraisers continue to seek and obtain the respect of the public they serve. □

Clarification of Real Estate Licensees and Escrow Officers Duties

Question: Who is responsible for obtaining signatures on an addendum to a purchase and sale agreement?

Obtaining signatures on a purchase and sale agreement falls under the definition of real estate brokerage services and can only be performed by a licensed real estate agent. Therefore, if a real estate agent asks an escrow agent to obtain the required signature(s), the real estate licensee would be aiding and abetting unlicensed real estate practice. The exception would be if the escrow agent is also a licensed real estate broker.

The duty of the escrow officer is to follow the instructions of the buyer and seller as presented in the negotiated purchase and sale agreement. When the escrow officer is put in the position of having documents signed that are part of the purchase and sale agreement, their neutrality is compromised and, as well, they are conducting unlicensed real estate activity. The real estate licensee should provide escrow with signed negotiated documents. When changes need to be made it is the real estate licensee's responsibility to provide signed documents.

Disciplinary Actions

NOVEMBER 2012

Kevin Sung Choe — Bothell

Finding: Unprofessional conduct — Had a judgment against him and failed to report it to us within 20 days, dishonesty.

Action: Real estate broker license revoked 10 years from date of King County Superior Court judgment (until April 26, 2021).

Michael T. Lee — Seattle

Finding: Unprofessional conduct — Had a judgment against him and failed to notify us within 20 days of the convictions.

Action: Real estate broker license suspended 60 days (November 1–December 31, 2012).

DECEMBER 2012

Ronald Bennett — Bellingham

Finding: Unprofessional conduct — Had judgments against him directly related to his real estate license and failed to report them to us within 20 days.

Action: Real estate broker license revoked for 10 years.

B. Jean Bradford — Silverdale

Finding: Unprofessional conduct — Access to home given to buyers prior to closing of sale and some of seller's personal property went missing.

Action:

- o Real estate broker license suspended for 1 year, stayed (not imposed) for 3 years.
- o Required to successfully complete 4-hour course.
- o Fined \$2,000.

Kim T. Bui — Bellevue

Finding: Unprofessional conduct. — Misrepresented to sellers.

Action:

- o Real estate broker licenses suspended for 1 year, with 60 days (May 2–June 30, 2013) actually suspended and balance stayed (not imposed) for 3 years.
- o Ordered to successfully complete 2 education courses, which can't be used for continuing education.

Stephen J. McGinnis — Edmonds

Finding: Unprofessional conduct — Forged designated broker's signature and received commissions not paid through the firm.

Action:

- o Real estate broker license suspended for 1 year, with 30 days actually suspended and balance stayed (not imposed) for 5 years.
- o Given the choice of paying a \$1,000 fine or completing a 3-hour ethics educational course.



JANUARY 2013

Robin L. Wellman-Parker — Snohomish

Finding: Unprofessional conduct.

Action: Real estate broker license suspended 1 year, with all but 30 days stayed for 3 years (actual suspension January 1–31, 2013), and fined \$1,000.

FEBRUARY 2013

Debbie Green — Spokane

Finding: Unprofessional conduct — Didn't exercise reasonable skill and care in use of forms and agreements, and account in a timely manner for all money and property received.

Action: Real estate broker license suspended for 1 year, stayed (not imposed) for 3 years, and all transactions will be monitored by her designated broker or appointed managing broker for 2 years.

Jeremy B. Hill — Bothell

Finding: Unprofessional conduct — Failed to screen tenants prior to executing rental agreements/optional purchase agreements.

Action: Real estate broker license suspended 3 years, with 90 days of actual suspension and the balance stayed (not imposed) for 3 years, and fined \$5,000, stayed (not imposed) for 3 years on the condition no other violation occurs.

Michael P. Orear — Seattle

Finding: Unprofessional conduct — Convicted in King County Superior Court of possessing and attempting to possess depictions of minors engaged in sexually explicit conduct, and required to register as a sex offender.

Action: Real estate broker license revoked for 10 years or until no longer required to register, whichever is longer.

MARCH 2013

David A. Milne — Mill Creek

Finding: Unprofessional conduct — U.S. Bankruptcy Court ruling of May 17, 2011, finding fraudulent omissions.

Action: Real estate broker license revoked for 10 years.

APRIL 2013

John R. Bays — Lakewood

Finding: Unprofessional conduct — Allowed access and work to be done on property before closing, and failed to follow the duties of licensee per RCW 18.86.030 (1) (a), (b) and (d).

Action: Real estate broker license suspended 1 year, stayed (not imposed) for 3 years on condition there are no violations, and fined \$2,500.