Commission Comments

Miriam J. Baer, Executive Director

February 2014
Mission Statement

- To protect the public interest in real estate transactions.
  - Real estate purchases are generally the consumer’s largest transaction
  - Licensed brokers help assure that in sales and rentals, consumers have the right information to help them make good decisions.
Upcoming Commission Meetings

Come watch the Commission work:

- **Wednesday, March 19**
- **Wednesday, April 16**
- **Wednesday, May 21**

9:00 a.m. at the Commission’s office
1313 Navaho Drive, Raleigh
What we can do for you:

- Be a RESOURCE to you:
  - answer your questions by phone
    - 919-875-3700
  - provide you with information on our Web site
    - NCREC.gov
  - come to your Association or other group to speak and answer questions.
New Commission Members

- George Bell
  G. Bell Properties, Winston-Salem

- Leonard H. “Tony” Craver
  Craver Real Estate, Durham

- Anna Gregory Wagoner
  Blanco Tackabery and Matamoros, Winston-Salem
Commission Initiatives

1. Segregating licensee data
   - public vs. private
2. Improving the Web site
3. Rule changes
4. Outreach
1. Segregating Licensee Data

- GS 93A-4 amended: certain personal information is no longer a public record
- Licensees must have a public physical address or PO Box
Public vs Private Licensee Data

- You can designate your email address as:
  - Personal / Private – email won’t be shared
    - Not even with CE or post-licensing providers
    - Use restricted to Commission communications
  - Public – email will be shared with anyone who requests it
    - Typically, education providers
    - Could be others
2. Improving E-Communication

- Web site: ncrec.gov
  - Redesign
  - Fillable forms
  - Working toward electronic form submission

- Moving toward less paper, digital workflow…
New Web site

To protect the public interest in real estate brokerage transactions.

Welcome to the North Carolina Real Estate Commission

Rule/Law Changes
- For proposed rule changes with an effective date of July 1, 2014, click here
- For current rule additions, changes, or deletions, click here
- For License Law, Rules, and Guidelines, click here

Licensees
- Licensee Login
- Firm Login
- Limited Nonresident Commercial Licensee Online Login
- Search the Licensee Database

What's New
- Bruce W. Moyer Named Director, Education and Licensing
- Miriam Buer Elected Sr. District Vice-President
- BICAR Improvement Plans
- Publications - New and Updated
- Schweidler, Little and Fisher
NCREC.gov – Drop-down menus
3. Proposed Rule Changes

- Topics include:
  - BICAR vs BICUP
  - Conflicts of interest
  - RP(OA)DS

- Summary, draft text on the Web site
- Comments welcome
- Public Hearing March 19 @ 9:00
  - Final decision April 16
  - Effective date July 1
Proposed Rule Changes - NCREC.gov
Proposed Rule Change re BICAR

- Focus group on improvements to the BICAR
- Recommendation – combine the BICAR & Update to create a “BICUP”
  - Applies to BICs and BIC-eligible
  - 4 hours
  - Opportunity for BICs and BIC-eligible to take a 4-hour electives
  - BICUP + elective satisfies Commission CE
- Brokers and PBs take the General Update
Possible Rule Change – Agency Disclosure

A. 0104

- Rule already requires disclosure, WWREA brochure, etc.
- Amendment would prohibit a broker selling own property from representing the buyer
- Amendment would also require listing agent to disclose conflict of interest before purchasing own listing,
  - and terminate the listing agreement if requested prior to closing
Proposed Rule Change – RPDS

24. Have you been notified by a governmental agency that the property is in violation of any local zoning ordinances, restrictive covenants, or other land-use restrictions, or building codes (including the failure to obtain proper permits for room additions or other changes/improvements)?

Actual knowledge standard remains...
Broker input

- Rulemaking
  - comment in writing; at public hearing
- Task forces; advisory committees
- Partnering with government and industry:
  - NCAR and Bar Ass’n Forms Committees
  - Brochures in conjunction with AG’s office
  - Summits, conventions, local board meetings
- Suggestions via email, mail, phone
4. Special Outreach Projects

Military
- Visiting NC and Norfolk military bases
- Members’ rights in rental housing
- New Q&A brochure

High School
- Planning stage
- Working with NC Realtors
- Education to young people on real estate and brokerage
Education & Licensing Director

- Bruce W. Moyer, Ed.S., DREI
- Bruce joined the Commission as E&L Officer in 2012
- Former BIC of his own firm
- Taught pre and post-licensing, CE
- New duties: direct the Commission’s education, examination, and licensing operations on a statewide basis.
Current Hot Topics

- Fracking
- Pocket listings
- National flood insurance
- Advertising in the digital age
- HOA issues
Hydraulic Fracturing
A new way of drilling for natural gas

1. Drilling for maximum effect
The drilling turns horizontal at about 9,000 feet, hitting multiple fissures and increasing the volume of available natural gas.

2. Putting the Pressure On
A mixture of water, sand and chemicals is pumped into the pipeline, which has small holes through which the mixture is forced.

3. Increase Gas Flow
The small fissures are widened by the pressure. The water mixture is pumped back out of the well and natural gas follows back up the pipeline to the wellhead.
Offer to Purchase – oil & gas disclosure as mandated by law:

1. Oil & gas rights were severed by a previous owner.  
   ___Yes; ___No; ___No Representation
2. Seller has severed the oil and gas rights from the property.  
   ___Yes; ___No
3. Seller intends to sever the oil and gas rights from the property prior to transfer of title to Buyer. 
   ___Yes; ___No

*In transactions where the buyer is getting the oil & gas rights, answer “No” to #2, 3
Making an offer with the new oil and gas disclosure language

Buyer agent can...

- fill in the answers as buyer wants them to be
  - Listing agent and seller must correct/counteroffer
- contact listing agent for information and fill in the offer accordingly (assuming buyer still wants to make an offer)
- leave the answers blank and let the seller/listing agent fill them in (counteroffer)
Pocket/Whisper Listings

- Listing agent doesn’t immediately advertise the listing in the MLS
  - Not a per se violation but fraught with peril
  - Broker must disclose that marketing is limited and obtain the seller’s informed consent
- Listing agents should be aware of MLS rules on the subject
- Concern that sellers will unwittingly accept less than property would be worth on open market
National Flood Insurance

- Federally-backed flood insurance program in debt to U.S. Treasury
- Congressional phase-out of subsidies
  - Prior to that, multiple stoppages of subsidies followed by reauthorizations
  - Premium increases for certain properties
    - older “pre-FIRM” properties non-primary residences
- Disclose flood insurance issues; recommend buyers/consumers investigate and check elevation of the property to determine insurance rates
HOA Law Changes

- Voluntary pre-litigation mediation [H278; SL2013-127]
- Uniform lien procedure – procedural protections in foreclosure actions [H331; SL2013-202]
  - Dismissal if debt satisfied (+costs, attorney fees)
- Owner must afford access through “limited common elements” as necessary for repairs and is responsible for damage to them s/he causes [S228; SL2013-34]
HOA Issues Under Discussion

- Still in play
  - Fidelity bonds for HOAs/managers with >$100,000 annual expenses; audit requirement

- Other ideas
  - Licensing
  - Education
Some Interesting Numbers
Distribution of 92,698 Licensees
(as of January 31, 2014)
Total Licensees

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North Carolina Real Estate Commission
Total Licensed Per Year By Exam 2008-2014*

* as of December 2013

avg. = 2108
std.dev. = 846
Visit Us! Call Us! Follow Us!

Visit our site, call us with questions, and follow us on Facebook for:

- License status
- BIC issues
- Licensee’s education status
- License Law and rules
- Hypotheticals
- Other questions
NC Real Estate Commission

- Remember, we’re your source for real estate information and we’re just a mouse-click or a phone call away.
  - 919-875-3700
  - ncrec.gov

- Let us know how we can help!
Miriam J. Baer, Executive Director

ncrec.gov
919-875-3700

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