



Official Publication of the Colorado Real Estate Commission

The Honorable John W. Hickenlooper., Governor

Barbara Kelley, Executive Director

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Did You Know ...

... that an up-to-date list of Colorado Real Estate Commission-approved continuing education courses can be found online?

The education section within the Division has compiled a list of approved providers, courses, and credit hours. Approved courses range from online to live lecture and cover a wide variety of topics. If you don't see a course you're taking listed, speak with the instructor or call the Division at (303) 894-2166.

[Continuing Education Courses](#)

[Continuing Education Application](#)

From the Director

Division Update for Spring 2011

by Director Marcia Waters

While the Division may be seemingly quiet these days, the Division's staff hasn't been resting on its laurels. Within the first quarter of 2011, the Licensing Section processed 4,585 applications. Through the online database, there were 2,894 renewal applications processed, along with 145 reinstatement applications and 443 new license applications. The Operations Section, which addresses the incoming telephone calls, was merged with the Licensing Section to ensure that we are able to address consumer needs in a prompt and professional manner. January witnessed the establishment of the HOA Information and Resource Center. To accommodate industry needs, HOA registration was

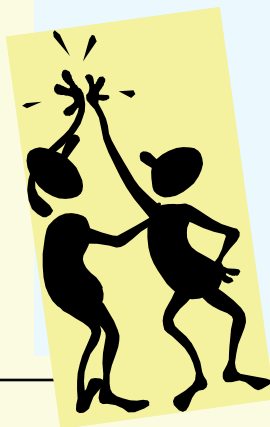
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Cary Whitaker Named Deputy Director

Cary Whitaker, the Division's former mortgage program manager, was appointed Deputy Director for the Division of Real Estate, effective Jan. 1, 2011. Cary joined DORA in 2006 when he was hired to head Colorado's first mortgage broker regulatory program. Cary will work along-side Marcia Waters, the Division's Director, overseeing programs and handling the Division's daily operations.

During his tenure as manager, Cary implemented, administered and enforced mortgage broker regulation including requiring registration and licensure of all mortgage loan originations working in the state. He worked closely with the Division Director to review complaints, investigations, enforce discipline, and ensure that licensees are compliant with state requirements. Cary also implemented the Board of Mortgage Loan Originators that was created by House Bill 10-1141.

Cary is a native of Kansas, and moved to Colorado in 1992 to attend the University of Colorado at Boulder. He has a Bachelor of Arts in International Affairs and is currently working on his Master's Degree in Political Science.



The Division Says Goodbye



On Jan. 1, 2011, former Division of Real Estate Director Debbie Campagnola passed away. She was 49 years old. Campagnola headed the Division from 2003-2006. At the time of her death, Debbie was CEO of The Association of Real Estate License Law Officials (ARELLO). Before joining the Division in 2003, Debbie served as the Colorado Association of Realtors' Chief Executive Officer for six years during her 15-year career with CAR.

Debbie was a well-respected member of the real estate community and was named by *Inman News* as one of the "100 Most Influential Real Estate Leaders" in the U.S. and was also chosen as one of the "Top 100 Influential Women in Real Estate Leadership" by *TRENDS Report*. Before Debbie began her real estate career, she became the first female sales representative for a Caterpillar heavy equipment dealership covering New Mexico and West Texas.

2011 Mandatory Commission Update Course Available

Several Commission-approved continuing education providers are offering the 2011 Commission Update Course. The course is a mandatory requirement for every active real estate broker licensed in Colorado.

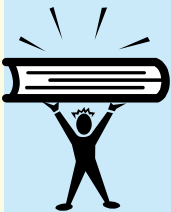
Licenses are required to take three different Commission Update Courses during each license cycle. Each course counts as four credit hours. A new version of the course is made available on January 1 each year. The Commission and the Division of Real Estate suggest that brokers try to take the course early on in the year, as the information featured is designed to help licensees become more competent on legal, legislative and forms changes.

For more information on continuing education or to locate an approved provider, visit the Division's webpage: www.dora.state.co.us/real-estate and click on the Real Estate Broker link.

2011 Manual Available!

The 2011 Colorado Real Estate Manual is currently available for purchase from Bradford Publishing. The manual has been revamped with a new look, current material and Colorado Revised Statutes. The previous edition came out in 2009.

You can purchase copies from Bradford Publishing for \$28.50. Unlike previous years, the full contents of the manual are not posted on the Division of Real Estate's website.



To order your copy, visit www.dora.state.co.us/real-estate and click on "2011 Real Estate Manuals Are Here," found about half-way down the page.



Upcoming Colorado Real Estate Commission Meetings

- ◆ Tuesday, June 7, 2011
- ◆ Tuesday, August 2, 2011
- ◆ Tuesday, October 4, 2011

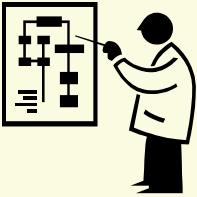
Upcoming Board of Real Estate Appraiser Meeting

- ◆ Thursday, June 2, 2011
- ◆ Thursday, July 7, 2011
- ◆ Thursday, August 4, 2011

Upcoming Board of Mortgage Loan Originator Meetings

- ◆ Wednesday, June 15, 2011
- ◆ Wednesday, July 20, 2011
- ◆ Wednesday, 17, 2011

Regulatory Rulemaking: How the Process Flows



Rulemaking is an important function of any regulatory body. The primary purpose of promulgating rules is to

clarify ambiguities within statutes. Accordingly, the Division of Real Estate administers rulemaking through various regulatory bodies within our purview. Such regulatory bodies include the Real Estate Commission, the Board of Real Estate Appraisers, the Board of Mortgage Loan Originators, and Director Marcia Waters on matters concerning the Conservation Easement Program and the newly created Home Owner's Association Information Office.

First, it is important to understand there are two types of rules that may be promulgated. An emergency rule is one that may be adopted immediately when it is imperatively necessary for the preservation of public health, safety, or welfare. These types of rules are valid for up to 120 days from the adoption date. Future emergency rules are prohibited from being promulgated unless there are substantive changes made within the existing rule. Interested parties will find that emergency rules are rarely used and are utilized when there are unusual circumstances. Emergency rules may be used during the implementation of a new

program, when timelines do not allow for the formal permanent rulemaking process, but aspects of industries may grind to a halt without the clarity that may be provided by regulation.

The most common and enduring type of rule consists of permanent rules. The process to promulgate a permanent rule is much more involved than an emergency rule. It is important to note that adoption of a permanent rule generally takes 90-120 days. Inherent within the permanent rulemaking process is the requirement for a rulemaking hearing and for the rulemaking authority to review and consider all comments presented or forwarded by stakeholders. Rulemaking hearings are important and meaningful aspects to permanent rules. Such rulemaking hearings allow interested parties the opportunity to address a board, commission or the Director, and explain their position, whether they favor a rule, oppose a rule, or simply disagree with certain provisions. After a rulemaking hearing, the board, commission or director has up to 180 days to adopt

or to not adopt a rule. Once the rulemaking authority decides to adopt a rule, it generally takes up to 60 days for the rule to become effective.

The Division of Real Estate receives many inquiries about past rules that have been adopted. Some callers disagree with particular provisions. Unfortunately, many of these callers did not participate in the public rulemaking process. Accordingly, it is vital for interested parties to participate at rulemaking hearings. Rulemaking hearings are the most appropriate and impactful time to express support or concerns. In many rulemaking hearings over the past several years, attendance and participation at rulemaking hearings has been noticeably low. The Division of Real Estate strongly encourages all interested parties to participate in this process. The best rules are generally adopted where there is ample participation and various perspectives. To review and track any proposed rule, rulemaking hearing or current rules, please visit the Division of Real Estate website at: <http://www.dora.state.co.us/real-estate/rulemaking/index.htm>.



Mortgage Loan Originator Mandatory Update Course Available

The two-hour mandatory update course for Mortgage Loan Originators is currently being offered by several providers who have been approved by the Division of Real Estate. The course, available since March, provides information on State and Federal legislative changes, changes to Board Rules, and other important facts affecting loan originators, processors and underwriters. The course is required and must be completed in addition to the eight hours mandated by the Nationwide Mortgage Licensing System and Registry. To find out where the course is being offered, [click here](#) to be taken to a list of providers.

Do you have questions about your license?

Contact the Division of Real Estate at (303) 894-2166

www.dora.state.co.us/real-estate

HOA Information and Resource Officer Named

Aaron Acker is the new HOA Information and Resource Officer for the Division of Real Estate. He took on the new position on Jan. 1, 2011, when the Division's newest section began operation. The new program was created after the Colorado Legislature passed House Bill 10-1278. Aaron was promoted from his previous position where he worked with the Expedited Settlement Program. In his new role, Aaron provides information on the rights and duties of homeowners and associations under the Colorado Common Interest Ownership Act (CCIOA), takes and tracks complaints, and oversees HOA registration.

Born in Montana and raised in Pennsylvania, Aaron is a graduate of the University of Pittsburgh and Penn State's Dickinson School of Law. He is a licensed attorney in both Colorado and Pennsylvania. He began his career with the Department of Regulatory Agencies working in the Division of Registrations, eventually transferring to the Division of Real Estate, after practicing law in Fort Collins for a period of time. When Aaron isn't performing his duties as HOA Information and Resource Officer, he can be found enjoying many of the activities that Colorado offers including fly-fishing, climbing Colorado's peaks, and skiing in Summit County. During football season though, he stays true to his roots, and cheers for the Pittsburgh Steelers and Joe Paterno.

From the Director

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extended until March 1, 2011. There are now 7,625 HOAs registered with the Division and, to date, we have received 160 complaints regarding HOAs.

The taskforce for the Real Estate Commission approved 101 courses for continuing education credit and the Board of Real Estate Appraisers' taskforce approved 49 continuing education courses for credit. The Board of Mortgage Loan Originators released the first two-hour update course that mortgage loan originators are required to take for state continuing education requirements. On behalf of the boards and commissions, I would like to express our gratitude to the members of the education taskforces for the contribution that they make in ensuring that continuing education standards are maintained.

Within the past quarter, staff has completed 357 complaint investigations. The Division strives to investigate cases within six months of receipt of a complaint. Cases beyond the six-month deadline are considered backlogged. Overall, the Division has 470 active investigations. While we have seen a decline in the complaints submitted against some of our licensees, we have not seen a decline in the numbers of complaints filed against appraisers. The Conservation Easement Oversight Commission has consulted with the Department of Revenue on approximately 400 conservation easement appraisals that were submitted with tax credit claims. Our in-house case settlement program, the Expedited Settlement Program ("ESP"), resolved 155 cases in the first quarter. The cases resolved by ESP result in approximately \$108,500.00 in cost avoidance for the Division, when compared to the legal fees we would have expended for legal counsel.

We have undertaken some sizeable projects within the first quarter to increase efficiency and effectiveness of the Division. We have implemented a records disposition policy, which has resulted in the destruction of 116 cubic feet of outdated files. Along with being a space saving measure, this will result in cost savings at the Division level once the project is completed. The Division's website has undergone construction to ensure that information is easily accessible and it has a user-friendly interface. We conducted a review of all of the rules promulgated by the regulatory bodies housed within the Division. In the months to come, our licensees will see the results of this process as we begin conducting rulemaking hearings to revise or repeal antiquated rules. Lastly, we are in the process of restructuring the Division to eliminate program silos and ensure the optimal use of our resources.

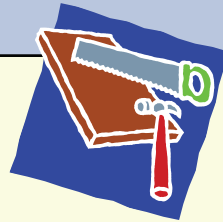
Currently, the Division is organized based on license specific programs, i.e. the Real Estate Broker Program, the Real Estate Appraiser Program, and the Mortgage Loan Originator Program. The new organizational structure will focus on the services that we provide: licensure, education, complaint investigation and complaint resolution. While this process will take time to complete, we have announced two positions which will serve as the managers for the investigations and education functions. We anticipate completing the restructure by the end of calendar year 2011.

ACCORDING TO THE INDUSTRY:

In this section, industry experts share their knowledge and expertise in articles covering a variety of topics pertinent to each part of the real estate community.

Education: Now, More than Ever

By: Bruce Jordan, "The Industry Tutor"



Estate News, Nov. 2010, "Changes on the Way for 2011 Commission-Approved Forms", By Kent Jay Levine, Esq.].

Whether one's business of choice is in real estate transactions, mortgage origination or real estate appraisals, certainly now is the time, more than ever, to make a special effort to keep abreast of change. With the much-hyped "real estate bubble," the "mortgage meltdown" and the advent of the new financial regulatory culture of Dodd-Frank, we are seeing changes in federal and state laws, changes in administrative and industry guidelines, and changes in enforcement activity, the likes of which history has not seen in at least a couple of generations.

Many of us are so fully immersed in the day-to-day challenges of our respective businesses, that we often fail to take the time "to sharpen the saw," to borrow an analogy from Stephen Covey, in *The 7 Habits of Highly Effective People*. He reminds us that the woodcutter, who is so busy sawing his firewood that he can't take the time to stop and sharpen his saw blade, in the end works harder, less efficiently and cuts much less wood than he could have if he had just stepped back and sharpened that blade before continuing with his task.

As an attorney who practiced law in New York for 23 years and as a Colorado Mortgage Loan Originator for 10 years, I can well-identify with the woodcutter who just kept plug-

ging along on that pile of wood rather than stopping to "sharpen" up the tools that I needed to function better and more efficiently. It has only been through my role as an educator, as one who offers professional training for realtors, attorneys, mortgage loan originators and title providers that I have seen firsthand the wisdom of Mr. Covey's simple but foundational analogy.

Consider for example that two years ago, the Real Estate Commission made dramatic changes to the approved residential contract that brokers were required to utilize in their transactions. Those contracts were made available for optional use in October 2008, and were required for everyone as of Jan. 1, 2009. And yet, I found that I was still teaching these "new" contract classes to brokers, in large numbers, through the end of July 2009. The changes that had occurred in those contracts were significant and substantively impacted the proper practice of real estate. That said, one wonders why so many brokers waited some seven (7) months to "sharpen their saws" rather than educating themselves in these important contract basics just as soon as the classes became available. This year starting Jan. 1, 2011, there were a myriad of changes, including the launch of some five (5) new contracts for the practicing broker [See: Colorado Real

As a member of the Colorado Mortgage Loan Originator Education Task Force, I am pleased to inform you that Colorado is just about to release its very first mandatory two-hour Continuing Education course for Mortgage Loan Originators (MLOs). This course must be completed by every MLO in order to renew his/her loan originator's license prior to year's end. [This requirement will be in addition to the eight (8) hour NMLS required continuing education curriculum.]

Everyone connected with the real estate and lending industry these days is forecasting a "sea change" in the regulations that govern our business dealings, and a dramatic increase in the enforcement of both new and old regulations. What we thought we knew yesterday will be of little moment when our professional judgment and decisions are made with that dated information. We owe it to ourselves, to our clients and colleagues to stay current and maintain our proficiency. The easiest way to do that is to take advantage of the many and diverse opportunities for education that abound in our marketplace. We need to commit to that, stay the course, and make sure we build into our schedules, and goals, into our business plans for the year sufficient time to "sharpen the saw."

REGRESSION ANALYSIS: What It Is and Isn't

By: David Braun, MAI, SRA

For several years, regression has been making the rounds at seminars, on the forums and in continuing education classes. It's the current "buzz word" in valuation. While the concepts have been around for more than 100 years, it's only recently that the typical appraiser has gotten access to the data required so they can use regression in their everyday assignments.

For the most part, the use of regression models for valuation has been confined to the assessor's office. Historically, only assessors had access to large amounts of standardized data in electronic format. MLS systems and technology have now conquered this dilemma for the field appraiser by offering a good combination of assessment data and proprietary sales data that can be downloaded and analyzed, thus providing the appraiser a good overview of the subject's market environment.

Traditionally, appraisers have relied on a limited number of sales. Through comparison, appraisers arrive at a value conclusion by making positive and negative adjustments based on a process commonly known as "paired sales." Often, clients, reviewers and underwriters have questioned such adjustments if the appraisal report was vague when it came to providing supporting logic for the adjustment.

While paired sales has been the preferred method for adjustments, appraisers recognize the limitations of relying on a few matched pairs as representative of the "overall market movement," especially when you have other factors such as short sales, REOs and fluctuating market conditions, impacting the data.

Essentially, for years we have been using the "few" as representative of "the many." Technology and desktop regression analysis now provides us with the ability to examine "the many" to explain the "the few." When you think about it, we've had it backwards, simply because we haven't had the tools to analyze large amounts of data.

Using a few sales as representative of the anticipated actions of the larger market comes with inherent risks in anything less than a balanced market. In a turbulent market such as many are experiencing today, if the market participants are not acting collectively (as anticipated in the definition of market value), which 3 or 4 sales do we select as "representative of the market"?

While the market was running up towards the peak, appraisers hung their hats (and reputations) on a few isolated sales as "market representative." Hindsight proved the unreliability of small data samples, especially those influenced by speculators, flippers, developers, etc.

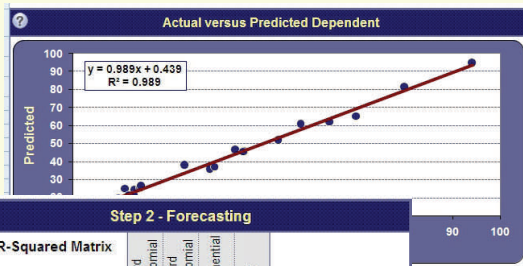
Without examining all of the sales data in a given location, or more specifically a large sample of properties "directly competitive to the subject," how do we know where the market is going and what the market data is telling us about the "actions of buyers and sellers" in the current marketplace?

Back to the future

Appraising is simply a look at the past and the present to evaluate what took place up to this point and to contemplate what is most likely to occur from this point forward. Since market data reflects the past, present and possible future (closed sales, properties in escrow and current listings), the more data we can compare, analyze and evaluate, the more informed our opinions will be.

Logically, if we could look at, analyze and extract adjustments from 50 or more sales instead of 5 or 10 sales, our opinions would be more informed.

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Step 2 - Forecasting

Trend R-Squared Matrix

Independent Variable	3rd Ord Polynomial	2nd Ord Polynomial	Exponential	Linear	Choose Method
indep1	33%	33%	11%	20%	Linear
indep2	31%	22%	###	10%	Linear
indep3	18%	3%	2%	1%	Linear

Number of Periods to Forecast: 10

Run Forecast

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Unfortunately, time constraints do not afford us the opportunity to examine that much data in detail. On the other hand, the ability to electronically analyze large amounts of sales data via regression can identify trends, relationships and observations of the market that wouldn't always be apparent from a small sample of data. Moreover, we can use those findings to support (or disprove) our adjustments.

Effectively, regression is "paired sales on steroids." Regression provides us with a framework to analyze and evaluate large amounts of data. It provides a structured methodology to discover what you don't know, by using what you do know. In its simplest form, regression measures the relationship between property characteristics (independent variables) such as living area and property value or sales price.

Confidence is vital ... and bankable

As a profession, we're quick to defend our opinions. After all, we're in the opinion business. We sell opinions to make our living. Unfortunately, opinions are like predictions of the future, they only have value when they are reliable. Bottom line, market participants are looking for more than opinion, they want facts and analysis based on more than just a quick look at a few sales.

Today's clients expect appraisers to step outside traditional methods, embrace technology, and quickly recognize change in the market. Further, appraisers are expected to communicate how shifting market conditions may affect the subject property. As professionals, we need to be more confident in our opinions, so our clients will have greater confidence in our profession.

Regression provides us with a framework to analyze and evaluate large amounts of data.

Events of the past several years have called into question our ability to quantify the market opinion with only a few sales. Our challenge now is to provide the client with analysis that observes the many interactions of the market that has been quantified to the point where it accurately predicts the pending actions of the few, or in our case the subject property.

Regression permits us to observe statistically the interactions of market participants, and the principles of appraisal at work in the marketplace. It is a tool we can use to quantify the actions of the many in order to predict the potential effects on the one.

Where do I apply regression?

While regression is useful in identifying market trends and general relationships between somewhat dissimilar data, it can also be useful in establishing parameters for line item adjustments. With regression, some adjustments are easy to extract while others are difficult or even impossible to isolate. A lot depends on the quality and quantity of data appraisers have to work within the real world.

So, what can it do for you? Regression is a tool that will help you observe many transactions quickly, thereby allowing you to see the interactions, relationships and outcomes of those transactions contrasted to the subject property. Regression can provide you with a basis for your line item adjustments and an accurate representation of the market's movement over time (value trends).

While it serves as a tool in the sales comparison approach to value, unlike the direct sales comparison approach we typically use in the appraisal, regression analysis is based on a model build-up method that provides analysis of the data "independent from direct sales comparison." As appraisers, we rely on the data and our knowledge of both the tangible and intangible aspects of each of the representative sales. We look at the obvious relationships (more money for more square foot of living area) and factor in intangibles (color, presentation, motivations of the parties, etc.) to arrive at our conclusions and we do this by observation of a few sales in a marketplace.

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Regression on the other hand, considers and quantifies statistically, the relationships between tangibles (living area and price, location and price, features and price), to identify a basic set of relationships between variables, so we can compare the many to the one.

Experience teaches us what we know and that which we hold to be true. Regression analysis provides us with observations to temper our experience to incorporate change, long before change itself is apparent in a few sales. For that reason alone, the potential of regression analysis is far too beneficial to be ignored by the appraisal profession.

Summing the squares ...

Regression is in your future. While traditional methods and principles will remain, they will be supplemented by large scale analysis of data to prove or disprove trends, adjustments and market direction. Subjectivity will be replaced by objectivity, to some degree.

Will regression replace appraisers? No more than Argus's computerized discount cash flow, or Marshall & Swift's computerized cost approach did. While regression will "do the math," the market itself has too many intangibles for regression models to deal with, thereby requiring professional judgment to qualify what goes in the model, interpret the answers the model produces and adjust both to the realities of the market.

What pro-active steps can you take to become proficient in regression analysis? You can start by taking a course on spreadsheets (several education providers have courses that specifically address how appraisers can benefit from the use of spreadsheets in their practice). Learn more about your local MLS, what each field means, how to store a custom search, and how to download sales to a spreadsheet. Next begin reading books on regression, take some seminars on the subject, and find a mentor that has a working knowledge of regression analysis. Be aware that having a regression program does not make an appraiser competent in regression analysis. The Uniform Standards of Professional Appraisal Practice (USPAP) considers that competency extends to analysis methods and techniques.

Regression analysis is quickly becoming a legitimate and necessary analysis tool for appraisers. It's necessary and even critical for the appraisal profession to adapt our methods to the available technology and evolve. This is the principle of change which is at work today.

Pearson Correlations								
	Sale Price	Mtn View	MedWd	MontCl	OpnSp	LotSize	WO	WestView
Sale Price	1.000	-0.860	-0.200	0.373	0.296	0.718	0.443	-0.189
Mtn View	-0.860	1.000	-0.302	-0.314	-0.408	-0.613	-0.263	0.254
MedWd	-0.200	-0.302	1.000	-0.379	0.277	-0.372	-0.317	-0.102
MontCl	0.373	-0.314	-0.379	1.000	-0.060	0.914	0.208	-0.144
OpnSp	0.296	-0.408	0.277	-0.060	1.000	0.084	0.644	0.552
LotSize	0.718	-0.613	-0.372	0.914	0.084	1.000	0.350	-0.191
WO	0.443	-0.263	-0.317	0.208	0.644	0.350	1.000	0.444
WestView	-0.189	0.254	-0.102	-0.144	0.552	-0.191	0.444	1.000
Lake	-0.165	0.264	-0.364	0.457	-0.031	0.270	0.232	0.357

Value: \$168,300
 Observations: 62 MMP Rating: **±8.4%**
 R²: 0.877
 Adjusted R²: 0.853 Avg Abs Error: **4.6%**

Remove Outlier Valuation Settings

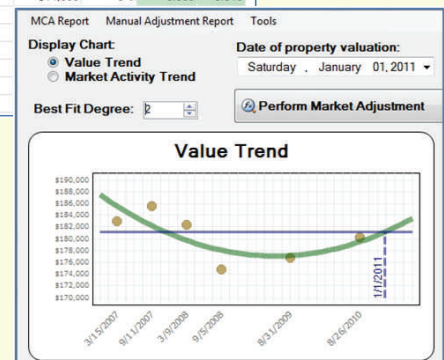
Set Valuation Confidence Rating

Selects	Variable	Value	Weight	SubDev	P
<input checked="" type="checkbox"/>	Intercept	\$37,636	20%		
<input checked="" type="checkbox"/>	Age	(\$669)	5%	0.261	0.122
<input checked="" type="checkbox"/>	Allenbrook	\$7,484	4%	0.896	0.072
<input checked="" type="checkbox"/>	Square Feet	\$72	71%	0.045	0.000
<input checked="" type="checkbox"/>	FP	\$7,314	0%	0.795	0.042
<input checked="" type="checkbox"/>	MCA180_1	\$14,666	0%	0.585	0.016
<input checked="" type="checkbox"/>	MCA180_2				
<input checked="" type="checkbox"/>	MCA180_3				
<input checked="" type="checkbox"/>	MCA180_4				
<input checked="" type="checkbox"/>	MCA180_5				
<input checked="" type="checkbox"/>	MCA180_6				
<input checked="" type="checkbox"/>	MCA180_8				

64 **Linear Regression Results for:**
 65 **Y = Sheet1!\$A\$1:\$A\$61**
 66 **X = Sheet1!\$B\$1:\$I\$61**
 67 **Independent variable entry method: Forward Stepwise**
 68 **P to enter = 0.300**
 69

70 **Descriptive Statistics**

Variable	Mean	Std Dev.	N
72 Sale Price	93583.333	10895.951	60
73 Mtn View	0.200	0.403	60
74 MedWd	0.267	0.446	60
75 MontCl	0.283	0.454	60
76 OpnSp	0.400	0.494	60
77 LotSize	43705.200	18040.053	60
78 WO	0.217	0.415	60
79 WestView	0.583	0.497	60
80 Lake	0.267	0.446	60



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The Valuation of Green Homes – A New Challenge for Appraisers

By: Debra Little, Certified Residential Appraiser, BPI Certified Building Analyst, and BIG Green Point Rater

What Makes Green Building So Intriguing And Challenging For Appraisers?

Considerations in green building valuation are complex, but can be fascinating and fun, too. Building science is interesting and it makes sense. We already know that when we're talking houses, we're talking variables. In sustainable building, some of the key variables are climate, site, structure, systems and size. The driving forces in the markets are numerous and the motivations of the buyers are affected by an array of considerations including neighborhood peers, global fuel economics, reducing energy costs, health concerns and indoor air quality.

There is good news and it's all about the momentum in remodeling with energy upgrades. There is a rapidly expanding population that is "green informed." As home owners respond to government incentives to improve energy efficiency, appraisers will be expected to respond and to report the effects of this market shift.

Driving Forces. Energy issues are making headlines. Federal policies propose to stimulate economies while reducing our dependency on foreign oil. The Department of Energy reports that US demand for all energy types is expected to increase by 31% within 25 years and that demand for electricity will grow at least 40% by 2032. States continue to revise their energy consumption objectives and utility companies strategize to avoid

building more power plants.

Improving the Efficiency of Buildings is the Most Cost Effective Action to Address Energy Consumption. Existing buildings consume 70% of electricity in the U.S., affecting our natural environment, health, economy and productivity.

Retrofitting of Existing Buildings Creates Economic Opportunities. Ambitious federal goals are in place to reduce the energy consumption of buildings. Codes are incrementally updated and have an impressive target, to require that all new residential buildings be "zero net energy" by 2020, meaning that they will use equal or less energy than they produce annually. All new commercial buildings are targeted to meet zero net energy standards by 2030. Retrofitting of existing stock represents an enormous opportunity and is gaining speed with the help of government sponsored financing programs, incentives and rebates. Local jurisdictions are responding with their own versions of sticks and carrots. Green building is



here to stay, therefore appraisers will need to have competence in this area.

A Challenge for Appraisers is to Identify True Green Features and Comprehend Their Benefits. True green features must be distinguished from "green washing" misrepresentations, may be included in sales hype, or may be the result of confusing misinformation. When appraisers acquire "green" expertise, they will be better equipped to identify authentic green assets and analyze how they might translate into value enhancement and improved marketability.

What Do Appraisers Need To Know About Green Building?

Green Building is Based on Building Science. Founded on simple principles, building science is the study of how homes perform. Like appraising, it must address a range of variables with each unique situation. Location and climate, building assembly type and size, pressures and flows, are just a few key elements.

Building science looks at the "house as a system." It considers the integration of the assembly, the mechanical systems, the components, and their interactions. For example, the design and quality of the duct system affects furnace efficiency and impacts indoor air quality. Pressure differentials from both interior and exterior sources cause infiltration and exfiltration of the building envelope.

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For example, a fan above your stove exhausts air which needs to be replaced. A high performing home will have an adequate source of fresh air. If there is not enough designed, controlled air, our homes are forced to find replacement air from attics, crawl spaces or wherever it's available.

Building science considers the house envelope. The envelope defines the division of conditioned from unconditioned space. A well-built envelope functions as an effective barrier to the flows of air, heat and moisture. You can see this by drawing a line picture of your home's envelope. Watch for architectural features that make the defining line tough to pinpoint, and look for an effective air barrier. In the majority of homes, we're lucky if we find insulation to code compliance. It's rare to find a quality attempt at air sealing even in new homes. Experts list air sealing as a priority in the order of cost effective fixes.

Residential buildings can be more complex than commercial buildings. Houses serve an assortment of functions, whereas commercial buildings usually have one main function with all systems designed to work for their single or more narrowly ranged purpose.

Testing is One of the Defining Best Practices of Home Performance Experts.

Although the concepts of building science are not new, there is an emerging industry of home performance specialists guided by its principles. Home performance experts diagnose the "house as a system." One practice that sets them apart is their testing which provides vital feedback directly to the crew at the job site. Typically, during the process of a remodel with energy

efficiency upgrades, home performance specialists will test the systems of the house at least twice. The first test provides an accurate diagnosis of the existing conditions and establishes a base case. The second (or subsequent) test is to measure energy efficiency improvement and assure objectives are met. Many energy conscious contractors have been using tools like blower doors, duct blasters, carbon monoxide detectors and infrared cameras to verify the integrity of their own work since the equipment first became available. Specifically, blower doors measure the infiltration or "leakage" of the envelope, and duct blasters measure duct leakage. Testing has gained status in recent years and is now required as verification for certain code measures, green certifications and utility incentives. HERS tests (Home Energy Rating Systems) follow a protocol for testing energy consumption and are increasingly mandated to be an option for home buyers at time of transaction.

Appraisers Must Ask the Right Questions. Some things are not as simple as they might appear at first glance so it helps to have a foundational awareness of building science. Here are a couple scenarios that appraisers are sure to run into:

◆ If an MLS listing reports a high Energy Efficiency Rated furnace, say 90 EER, can appraisers assume that it operates more efficiently than an 80 EER? HVAC systems tend to represent the largest energy load in homes. It's true that a small improvement in efficiency can result in notable energy savings, however, performance tests often discover problems in system design and

installation. The National Comfort Institute reports the average home furnace operating efficiency is 57%. The system must be integrated with the whole house, including the ducts, and installed to quality standards, or it won't matter what the EER is. The EER is only part of the story. The actual operational consumption can be measured through testing.

◆ An appraiser may be informed that a home's new solar Photo-Voltaic system has reduced energy expenses by 70%. For appraisers to make sense of this information, we might want to ask about the energy efficiency of the house prior to adding solar. Is 70% savings of a low performing energy hog to be valued relative to 70% of a high performing house? The energy hog started with utility bills that averaged \$600 a month, then by adding solar reduced them to \$180. The high performing house began their work scope with a deep energy retrofit which improved its efficiency so that utility costs before the addition of solar were \$100 a month and are now \$30.

The recognition of the need for a "miles per gallon" label for homes has accelerated competition in the development of the perfect label. It's probable that in the near future we will start seeing these assigned to houses and incorporated into MLS listings.

"Seven Generation Sustainability"

is a green ecological concept that advocates the awareness that our decisions today affect future generations. Sustainable building concepts, in addition to energy

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conservation awareness, considers the site, orientation (the maximization of natural solar potential), water and resource conservation, waste management and the greater good of society and the environment.

Non-energy Benefits Also Exist in the Broad Spectrum of Sustainable Building. New and retrofitted sustainable homes are not only energy efficient, they are also healthy, safe, comfortable and durable. Healthy indoor air quality is a prominent goal in retrofits. As more houses are being tested, the discovery of existing hazards such as gas and carbon monoxide leaks and lack of fresh ventilation air has been disconcerting and has drawn attention to safety. Comfort is one of the most common drivers cited by home performance clients. They simply want their homes to function efficiently, maintain stable and comfortable temperatures, have fewer drafts, and operate more quietly and with less maintenance. The excellent control of air, heat and moisture results in another recognized benefit: durability. Green homes tend to have superior quality and aesthetics as well as a smaller "carbon footprint."

What is the Motivation to Build Green? Cultural influences can be powerful. Although economic and quality issues represent different arenas, most people value both. In Colorado there is an elevated appreciation for environmental stewardship. Local voting populations support green building codes, recycling and environmental issues. In the city of Boulder, the use of solar energy to heat swimming pools, hot tubs and driveways is now mandated by code. Reducing operating expenses with

energy efficiency tends to be the most prominent goal but it's not always about the money. Comfort, indoor air quality and carbon footprint reduction are commonly identified concerns.

As with many residential features, the return on investment isn't always the objective. Then again, with increasing utility rates, agents report that buyers are more frequently asking about operating costs. They say there is a growing sector of buyers that identify themselves as green.

Financing and Underwriting Trends. The advantage of improved cash flow resulting from efficient homes has been acknowledged by federal loan agencies since the oil embargo in the mid 1970's when Energy Efficient Mortgages were created. EEMs have been underused but recently have gained attention along with new loan programs designed to help fund energy upgrades. PowerSaver is a new FHA pilot program that will lend up to \$25,000 for energy upgrades. The SAVE Act (Sensible Accounting to Value Energy), championed by Sen. Michael Bennet (D-Colo.), *proposes changes in underwriting guidelines and appraisal practices* to reflect the expected energy costs for mortgage applicants, resulting in the acronym PITI + *E for Energy* (principle, interest, taxes, insurance and energy). The cost of energy is a key factor in mortgagee's budgets as it is often as much or more than property taxes or insurance. This proposal aims to reward those with efficient houses and lower utility costs.

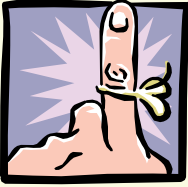
Challenges in Research and Due Diligence. Appraisers need reliable

market data including the ability to search for green features. It's good to know that help is on the way in the form of "greening" the MLS. Colorado's green MLS has been launched in the northeast and is expanding through the state. Consistency in terms, definitions and comprehension of green benefits will improve as levels of "green" awareness and education increase. Access to green data will get easier, but for now, appraisers need to broaden their research and discussions with home owners, contractors and agents to include the identification of relevant green property characteristics.

Agents may not always recognize the value enhancement that green asset components contribute to real property. For example, although Boulder is noted for its extraordinary number of zero net energy homes, the green features are not often highlighted in marketing or defined clearly in the MLS.

Another difficulty is accessibility to data on existing, upgraded houses. For example, a home owner may have invested in extensive energy retrofits, is happy with the results, and now has a dream home that is comfortable and has lower utility expenses than any house they have ever lived in. Houses of this type don't sell very often, so this market affirmation is seldom reported and is not often accessible to appraisers. If a survey was made of these user-investors in energy upgrades, what would they say? Would they affirm that if they were shopping today, they would pay more for a home that is ready to go with the same energy features they spent their dollars to add? The collection and sharing of data by agents and appraisers, particularly if and

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File Minder:

Brokers Must retain records of "Failed" transactions as well as documents related to the "Under Contract" stage, not just "Sold and Closed" properties.

THE HONORABLE JOHN W. HICKENLOOPER Governor of Colorado

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Department of Regulatory Agencies
Marcia Waters
Director, Division of Real Estate
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Deputy Director, Division of Real Estate

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So You Want to Manage Residential Property

By: Peter Meer

Times in the sales business are tough. Thus you are thinking about changing the nature of your business. How hard can managing residential properties be? When you can't sell a listing why not turn it into a rental until the market improves?

The employing broker doesn't know anything about property management so why not just do it as a business on the side? That is the thinking that will give you close encounters with the Enforcement Section for the Colorado Division of Real Estate.

Under commission regulations your property management activities must be under the DIRECT supervision of the employing broker. Starting with the management agreement, rental funds account and security deposit account which must all be in the name of the brokerage firm. There is no such thing as business on the "side".

Starting a property management service as part of your current employment may provide a valuable program for your clients. You will need to consider what type of properties to include: single family homes, small multi-units (i.e. duplex), condominiums, town homes, apartment complexes. Single family homes seem to have the greatest rental appeal. Managing apartment houses does require a broader knowledge than the other types of properties.

Many property managers limit themselves to a local geographic area. It really comes down to travel time to a given unit, say no more than 15 minutes one way. It may well require five or more showings to get the potential tenant to complete an application form. There is no state mandated tenant application form. Be certain to have an attorney draw up such a form for use by your firm.



No matter what the nature of a new business is, obtaining new clients is a key element of the equation. That is an issue that cannot be addressed in a commission publication. There are many sources of information on this subject. One potential resource is the National Association of Residential Property Managers (NARPM). There are local chapters in Ft. Collins, Denver, Colorado Springs and Grand Junction. Contact information: narpm.org

In the coming months there will be other articles dealing with residential property management. Please remember that this area of practice by licensees is regulated for the safety of the public. The rules/regulations can be found in the Colorado Real Estate Manual, portions of which are available online.

Peter Meer is President/Broker of Meer & Company, Inc. (303) 322-1550, and manages 150 single-family units in metro-Denver.

Minimum Service Requirements for Real Estate Brokers

On December 7, 2010, the Real Estate Commission adopted CP-36 Minimum Service Requirements to expel some of the uncertainty regarding those duties that real estate brokers are required to perform. While the industry has made a distinction between limited service and full-service brokerages, the brokerage relationships set forth in the license law have remained unchanged for some time. Real estate brokers, whether they are acting in the capacity of a single agent or a transaction broker, are required to fulfill the duties enumerated in the license law. The duties for each are outlined below:

§12-61-804, C.R.S. Single agent engaged by seller or landlord, states in part:

(1) A broker engaged by a seller or landlord to act as a seller's agent or a landlord's agent is a limited agent with the following duties and obligations:

(a) To perform the terms of the written agreement made with the seller or landlord;

(b) To exercise reasonable skill and care for the seller or landlord;

(c) To promote the interests of the seller or landlord with the utmost good faith, loyalty, and fidelity, including, but not limited to:

(i) Seeking a price and terms which are acceptable to the seller or landlord; except that the broker shall not be obligated to seek additional offers to purchase the property while the property is subject to a contract for sale or to seek additional offers to lease the property while the property is subject to a lease or letter of intent to lease;

(ii) Presenting all offers to and from the seller or landlord in a timely manner regardless of whether the property is subject to a contract for sale or a lease or letter of intent to lease;

(iii) Disclosing to the seller or landlord adverse material facts actually known by the broker;

(iv) Counseling the seller or landlord as to any material benefits or risks of a transaction which are actually known by the broker;

(v) Advising the seller or landlord to obtain expert advice as to material matters about which the broker knows but the specifics of which are beyond the expertise of such broker;

(vi) Accounting in a timely manner for all money and property received; and

(vii) Informing the seller or landlord that such seller or landlord shall not be vicariously liable for the acts of such seller's or landlord's agent that are not approved, directed or ratified by such seller or landlord.

(d) To comply with all requirements of this article and any rules promulgated pursuant to this article; and

(e) To comply with any applicable federal, state, or local laws, rules, regulations, or ordinances including fair housing and civil rights statutes or regulations.

§12-61-805, C.R.S. Single agent engaged by buyer or tenant, states in part:

(1) A broker engaged by a buyer or tenant to act as a buyer's or tenant's agent shall be a limited agent with the following duties and obligations:

(a) To perform the terms of the written agreement made with the buyer or tenant;

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- (b) *To exercise reasonable skill and care for the buyer or tenant;*
- (c) *To promote the interests of the buyer or tenant with the utmost good faith, loyalty, and fidelity, including but not limited to:*
 - (i) *Seeking a price and terms which are acceptable to the buyer or tenant; except that the broker shall not be obligated to seek other properties while the buyer is a party to a contract to purchase property or while the tenant is a party to a lease or letter of intent to lease;*
 - (ii) *Presenting all offers to and from the buyer or tenant in a timely manner regardless of whether the buyer is already a party to a contract to purchase property or the tenant is already a party to a contract or a letter of intent to lease;*
 - (iii) *Disclosing to the buyer or tenant adverse material facts actually known by the broker;*
 - (iv) *Counseling the buyer or tenant as to any material benefits or risks of a transaction which are actually known by the broker;*
 - (v) *Advising the buyer or tenant to obtain expert advice as to material matters about which the broker knows but the specifics of which are beyond the expertise of such broker;*
 - (vi) *Accounting in a timely manner for all money and property received; and*
 - (vii) *Informing the buyer or tenant that such buyer or tenant shall not be vicariously liable for the acts of such buyer's or tenant's agent that are not approved, directed, or ratified by such buyer or tenant;*
- (d) *To comply with all requirements of this article and any rules promulgated pursuant to this article; and*
- (e) *To comply with any applicable federal, state, or local laws, rules, regulations, or ordinances including fair housing and civil rights statutes or regulations.*

§12-61-807, C.R.S. Transaction-broker, states in part:

- (1) *A broker engaged as a transaction-broker is not an agent for either party;*
- (2) *A transaction-broker shall have the following obligations and responsibilities:*
 - (a) *To perform the terms of any written or oral agreement made with any party to the transaction;*
 - (b) *To exercise reasonable skill and care as a transaction-broker, including, but not limited to:*
 - (i) *Presenting all offers and counteroffers in a timely manner regardless of whether the property is subject to a contract for sale or lease or letter of intent;*
 - (ii) *Advising the parties regarding the transaction and suggesting that such parties obtain expert advice as to material matters about which the transaction-broker knows but the specifics of which are beyond the expertise of such broker;*
 - (iii) *Accounting in a timely manner for all money and property received;*
 - (iv) *Keeping parties fully informed regarding the transaction;*
 - (v) *Assisting the parties in complying with the terms and conditions of any contract including closing the transaction;*
 - (v) *Disclosing to prospective buyers or tenants any adverse material facts actually known by the*



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Gnothi Sauton: Self-Deception Can Lead to Unpleasant Consequences

By: Carl Hegewald, Jr.

This ancient Greek phrase translates to “know thyself” in English. You ask: “how is this old, weird saying relevant today to competency in appraisal practice?” Read on, ladies and gentlemen.

While reading USPAP in your spare time for pleasure and relaxation, you discover to your dismay that that neither *competency* nor *competence* are defined. While everyone claims to know what competence means, a definition may be in order. A pretty good definition of the word *competence* for appraisers in a recognized appraiser publication states:

competence. The state of having the requisite or adequate ability or qualities to perform the specific assignment and produce credible assignment results. The comment on the Competency Rule of the Uniform Standards of Professional Appraisal Practice states that competency applies to factors such as, but not limited to, an appraiser’s familiarity with a specific property type of property, a market, a geographic area, an analytical method, an intended use, and specific laws and regulations that apply to the assignment. [Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5th Edition, (Chicago, Appraisal Institute, 2010), p. 39].



The short version is that USPAP requires competency and being competent requires knowledge and experience to produce credible assignment results. Please note that familiarity with a geographic area is just one factor of competency. There are botched appraisal reports from appraisers for subject properties in communities where they live.

I refer you to your *USPAP 2010-2011 Edition Competency Rule* which addresses appraiser competency requirements as:

- ◆ the ability to properly identify the problem to be addressed; and
- ◆ the knowledge and experience to complete the assignment competently; and
- ◆ the recognition of, and compliance with, laws and regulations that apply to the appraiser or to the assignment.

An appraiser must use sound judgment when considering whether or not to accept and complete a valuation service assignment serving in the role of an appraiser. I refer you again to your *USPAP 2010-2011 Edition Competency Rule* which states:

“An appraiser must: (1) be competent to perform the assignment; (2) acquire competency to perform the assignment; or (3) **decline or withdraw from the assignment.**”

If you determine that you are not competent *before* accepting an assignment, the required procedure is that you *must* 1) disclose your lack of competency to the client; 2) take necessary steps to complete the assignment competently; and, 3) *describe in your report your lack of competency and the steps you took to complete the assignment competently.*

Sure, it sounds messy, time consuming and impractical, but being a brave-hearted appraiser, you say to yourself “I can do that.” If you determine that you don’t have the necessary competency *during the course of completing an assignment* (you’re in over your head), you *must* address this situation by following the procedure described in items 1), 2) and 3) disclosed above. Finally, if you determine that you can’t complete the assignment competently you must either *decline* or *withdraw* from the assignment.

Be aware of your personal responsibilities imposed by the importance of your role as a professional appraiser. Exercise self-imposed professional discipline, refrain from self-deception and ensure that you can competently perform an assignment in compliance with established and applicable requirements.

Recognize that an “I can appraise anything because I’m a brave-hearted appraiser jack-of-all-trades” frame of mind can eventually lead to a consumer complaint and close scrutiny of your report by a state appraiser compliance investigator. It might be wise to turn down a possible well-paying assignment for a proposed mixed-use residential subdivision with a 50-story pink, art deco hotel and a petting zoo for piranhas in the middle of nowhere. Finally, avoid becoming entangled in a complaint investigation, encounters with complaint investigators, and unpleasant sanction consequences by being competent to perform the assignment. Know Thyself.

Green Homes, Con't from pg. 10

when these houses sell, could serve to assist our research as we seek to ascertain the effect on market value of green features.

It's possible that a larger portion of the market values green than is easily found in typical sources. It is reported that approximately 25% of new homes sold in Denver are green certified. What does this imply about the other 75%? Is this market driven more by the developers or the home buyers? There are many green builders that opt out of going the route of a green certification although their homes would earn one. Here again, with more data we may find there is greater demand than readily perceived. Additional research together with proper sale confirmation to obtain accurate information about energy efficient components and to learn of buyer and seller attitudes may give appraisers evidence of the market's reaction to differences in the properties.

Although most *green certified* homes will be more energy efficient, a green label does not guarantee it. The proliferation of green rating programs has been a powerful catalyst in rais-

ing awareness of green building. One of the strengths of a green rating is the 3rd party certification of the home's green elements. Although a green label is a good sign, it is an indicator that appraisers should look further in their due diligence. Most rating systems have several categories (such as water or energy) with minimum points requirements in each, so that a house can be weighted for each particular category. Two houses, each with 100 points may be quite different. If claims are made that a house is highly energy efficient, the strongest proof will be in the utility bills; however the analysis of utility bills is beyond the scope of this article.

The Challenge for Appraisers

A paradigm shift is occurring and mindsets are changing. Appraisers who develop expertise in their understanding of green assets can look forward to expanded business opportunities. Demand for this competency will grow as remodeling scopes include more energy upgrades and as market drivers gain momentum.

What can you do to develop proficiency in green appraising? The Appraisal Institute recently added two (2) new classes on the valuation of green residential properties, and other appraisal education providers are starting to offer similar classes. A good background of building science can be gained via countless internet sites, blogs and online newsgroups. Individuals and companies that provide training for HERS raters and green building raters, including the Building Performance Institute, also offer courses in building science. Utility companies often offer free classes

on energy efficiency. Additionally, appraisers are encouraged seek mentoring by partnering with others that have expertise in the valuation of green buildings.

Our clients will be looking to appraisers as the experts in reporting market trends related to green features and their impact on value. Act now and ensure that you will be ready to face this particular challenge when it comes your way.

Resources for Further Information on Green Building:

- ◆ www.BuildingScience.com
- ◆ "Green from the Ground Up," written by Colorado resident David Johnston with Scott Gibson
- ◆ www.greenbuildingadvisor.com/blogs/dept/musings
- ◆ The SAVE Act: www.imt.org/save-act
- ◆ Friendly blog, topical search. www.energyvanguard.com/blog-building-science-HERS-BPI/



Contribute to the Industry Section

The Division of Real Estate is always looking for industry experts to contribute articles for upcoming issues. If you're interested in submitting an article, send an e-mail to Anne Ross, Executive Assistant to Director Waters at anne.ross@dora.state.co.us. Please include the topic of the proposed article and when it would be ready for publication.



DORA is dedicated to preserving the integrity of the marketplace and is committed to promoting a fair and competitive business environment in Colorado. Consumer protection is our mission.



Disciplinary Action Taken by the Colorado Real Estate Commission

Alphabetical by last name, real estate brokers only

[Arnold, Calvin Steve](#) - Public Censure, Fine, Suspension, Coursework

[Ault, Gregg Alan](#) - Public Censure, Voluntary Relinquishment and Stayed fine

[Barnett, Daniel](#) - Public Censure, Revoked and Stayed Fine

[Brazelton, Carolyn](#) - Public Censure, Fine and Restitution

[Bruha, Michael](#) - Public Censure, Suspension and a Fine

[Campbell, Melvin Dale](#) - Permanently Revoked and Public Censure

[Chilcote, Daniel](#) - Final Agency Order for Revocation

[Cockrell, Lauren](#) - Voluntary Relinquishment and Stayed Fine

[Covert, Jane Frances](#) - Public Censure and Fine

[Dagg, Eleanor](#) - Revoked, Public Censure and Stayed Fine

[de Blank, Maurits](#) - Public Censure, Fine and audited statements and invoices

[Dexter, Cindie Jo-Leen](#) - Public Censure, Fine, Suspension commencing on reactivation

[Glennon, Paul Anthony](#) - Public Censure, Fine and Coursework

[Grose, Scott](#) - Permanent Surrender, Public Censure and Stayed Fine

[Hairston, Elizabeth](#) - Public Censure, Suspension, Fine, Coursework

[Hoggard, Shawna](#) - Public Censure and Permanent Revocation

[Homsher, Forrest](#) - Public Censure, Fine and Coursework

[Horst, Gretchen](#) - Public Censure, Fine, Suspension, Coursework, probation required supervision for two years

[Jefferson, Lisa Renee](#) - Fine and Permanently Revoked

[Johnson, Arthur Dale](#) - Public Censure, Fine and Probation to run concurrent with deferred sentence

[Johnston, Michael C.](#) - Public Censure, Fine, Coursework and Probationary License requiring supervision

[Jones, Earnest](#) - Final Agency Order for Revocation

[Kadavy, John](#) - Public Censure and Fine

[Keene, John](#) - Public Censure, Suspension and Fine

[Martillaro, Rosanne](#) - Public Censure, Permanently Revoked and Stayed Fine

[Martinez, Pedro Sarabia](#) - Public Censure, Revoked and Stayed Fine

[Medina, Zack](#) - Public Censure, Revoked and Stayed Fine

[Medlin, Beverley](#) - Public Censure, Fine, Suspension and Coursework

[Mellor, Dee](#) - Voluntary Relinquishment and Stayed Fine

[Mira, Julio](#) - Public Censure, Fine and Coursework

[Mumford, Derek](#) - Permanently Revoked, Public Censure, Stayed Fine

[Norgord, John](#) - Permanently Revoked and stayed fine

[Ozdemir, Levent](#) - Public Censure, Fine and Coursework

[Paine, Donna](#) - Public Censure, Fine, Suspension and Coursework

[Preston, Kimberly](#) - Final Agency Order for Revocation

[Rivera, Michael](#) - Public Censure, Fine, Coursework and Probationary License requiring supervision

[Rodriguez, Florencio J.](#) - Order of Permanent Injunction

[Ruffner, Rocky](#) - Public Censure, Fine and Permanent Revocation

[Ryan, Kevin R.](#) - Public Censure and Fine

[Smith, Michael D.](#) - Public Censure, Voluntary Relinquishment and Stayed fine

[Tamborra, Mauri](#) - Public Censure, Fine, Coursework and Probation req. supervision for two years

[Taylor, Lisa](#) - Public Censure, Suspension, Coursework, five-year restriction requiring supervision, Fine

[Terry, L. Brian](#) - Public Censure, Fine and Coursework

[Vasina, Carol](#) - Public Censure, Suspension, Fine, Coursework

Note: Each name linked to disciplinary document relating to this action, and does not necessarily mean that this is the only action taken against a license.

Disciplinary Action Taken by the Board of Mortgage Loan Originators

Alphabetical by last name, mortgage loan originators only

[Archuleta, Richard Lee](#) - Public Censure and one-year suspension

[Bailey, Bruce](#) - Public Censure, Fine, Suspension & Probation

[Bell, Eddie](#) - Cease & Desist

[Bova, Brian](#) - Public Censure, Relinquishment, agrees not to reapply for 1 year, fine permanently stayed unless he reapplies

[Brenneman, Keri](#) - Voluntary Surrender - Same as Revocation

[Caddy, Mike](#) - Cease & Desist

[Callahan, Keith](#) - Cease & Desist

[Cardon, Cari](#) - Public Censure, Voluntary Relinquishment and Stayed Fine

[Cutager, Joseph](#) - Cease & Desist

[De Los Reyes, Steven](#) - Cease & Desist

[Dillon, Christian](#) - Cease & Desist

[Dixon, Jack](#) - Public Censure, Fine, Restitution

[Djazaeri, Kamran](#) - Cease & Desist

[Earle, Deirdre](#) - Cease & Desist

[Ellenberger, Heather](#) - Cease & Desist

[Fairchild, Kenneth](#) - Final Agency Order for License Denial; Order of Permanent Injunction

[Fairhurst, Eric](#) - Cease & Desist

[Ferris, Paul](#) - Public Censure and Fine

[Ferris, Liam](#) - Cease & Desist

[Fiegel, Doug](#) - Cease & Desist

[Fischer-Drazic, Helen K.](#) - Public Censure, Fine, Suspension and Probation

[Gable, Dieter](#) - Public Censure, Stayed Fine, Voluntary Relinquishment and Restitution

[Graham, Brian](#) - Cease & Desist

[Hayes, Thomas](#) - Public Censure and Fine

[Henry, Frederick](#) - Voluntary Relinquishment

[Holman, Ingrid](#) - Permanently Revoked

[Hoskisson, Michael](#) - Public Censure, fine, Voluntary Relinquishment, may not apply for two years, and restitution

[Jaenke, Todd](#) - Public Censure, Fine and Probation

[James, Joel](#) - Voluntary Surrender - Same as Revocation, can't reapply for 2 years, and a stayed fine

[Jones, W. Garrett](#) - Cease & Desist

[Lankow, Timothy](#) - Final Agency Order for Revocation

[Larosa, Jason](#) - Final Agency Order for Revocation

[Laushman, Matthew Robert](#) - Public Censure, Voluntary Relinquishment and Stayed Fine

[Link, April](#) - Final Agency Order for Revocation

[Lopez, Charlene](#) - Cease & Desist

[Magalei, Issiah](#) - Final Agency Order for Revocation

[Martin, Mitchell R.](#) - Public Censure, Fine, one-year Suspension and five-year restriction

[McQuaig, Kevin](#) - Cease & Desist

[Medina, Zack](#) - Public Censure, Voluntary Relinquishment and Stayed Fine

[Meyer, Noreen](#) - Cease & Desist

[Moorfield, Laila](#) - Cease & Desist

[Newborn, Robert](#) - Public Censure, Voluntary Relinquishment and Stayed Fine

[Paul, Candice M.](#) - Public Censure, Fine, Suspension and Probation

[Pfeil, Sandra](#) - Public Censure, Fine, Probation, and MLO Office Policy to Board

[Popplewell, Colby](#) - Public Censure and Fine

[Quintana, Eddie](#) - Public Censure, Fine, Suspension and Probation

[Quintana, Richard Gonzales](#) - Public Censure, Suspension, Fine and Probation

[Raun, Owen Scott](#) - Public Censure, one year Probation and a fine

[Roberts, Jeff](#) - Cease & Desist

[Rodriguez, Florencio](#) - Public Censure, Revocation and stayed fine

[Shifrin, Leonid](#) - Final Agency Order to issue license subject to conditions that must be met Mar 1, 2011

[Shifrin, Mark](#) - Relinquish and Fine and Fee

[Stuart, Norma K.](#) - Cease & Desist

[Teplansky, Michael](#) - Public Censure, Fine, Probation, and MLO Office Policy to Board

[Walthall, Donald](#) - Final Agency Order for Revocation and Fine

[Warren, Jason Adam](#) - Public Censure, Fine, Restitution

[Warren, Patrick](#) - Public Censure, Fine and Restitution

[Weldon, Michael](#) - Cease & Desist

[Williams, John](#) - Cease & Desist

[Wilson, Carl](#) - Cease & Desist

[Wolberg, Dale Thomas](#) - Public Censure and Voluntary Relinquishment

[Zoldak, Frank](#) - Voluntary Relinquishment and Stayed fine

Note: Not all names are linked to documents. Those names not linked do not have documents available to the public.

Disciplinary Action Taken by the Board of Real Estate Appraisers

Alphabetical by last name, appraisers only

[Hicks, Kris](#) - Fine, Course Work and Supervision

[Licata, Joseph](#) - Fine, Course Work, and Work Product Review

[OBrien, Pat](#) - Fine, Course Work, Conservation Easement Appraisal Practice Restriction

[Pearson, Christine](#) - Fine, Course Work and Supervision

[Skeen, William](#) - Fine, Course Work and Work Product Review

[Slota, Lori](#) - Fine, Course Work, Supervision and Work Product Review

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broker including but not limited to adverse material facts pertaining to the title, the physical condition of the property, any defects in the property, and any environmental hazards affecting the property required by law to be disclosed;

(vi) Disclosing to any prospective seller or landlord all adverse material facts actually known by the broker including but not limited to adverse material facts pertaining to the buyer's or tenant's financial ability to perform the terms of the transaction and the buyer's intent to occupy the property as a principal residence; and

(vii) Informing the parties that as a seller and buyer or as landlord and tenant they shall not be vicariously liable for any acts of the transaction-broker;

(c) To comply with all requirements of this article and any rules promulgated pursuant to this article; and

(d) To comply with any applicable federal, state, or local laws, rules, regulations, or ordinances including fair housing and civil rights statutes or regulations.

The brokerage relationship statutes afford brokers the opportunity to assume duties in addition to those defined in statute. The additional duties must be documented in writing and unless otherwise amended, the real estate broker is expected to perform the duties promised. It is important to note however, that the license law does not allow real estate brokers to sever the minimum duties they are required to perform. For example, a real estate broker that enters into an agreement to only advertise a property for sale, with none of the other required services provided, would be in violation of the license law. The Real Estate Commission is aware that there are real estate brokers who have negotiated advertising only agreements with consumers. The Commission expects licensees to become compliant with the license law if they have entered into these agreements. If complaints are received regarding business practices that do not fulfill the minimum requirements of the license law, staff will investigate the complaints and the Commission may take further action.

One particular issue that has been brought to the Commission's attention following the adoption of this position statement is the requirement of brokers to present offers to their clients. For example, HUD may require brokers who represent buyers to present purchase offers directly to HUD, not to HUD's listing broker. The Commission is aware that parties to a transaction can create requirements and circumstances that circumvent a real estate broker and make it more difficult for the broker to perform all of his/her duties mandated by the license law. If a seller has created a program or circumstances that allow a buyer or buyer's agent to submit offers and/or counter-offers directly to the Seller (e.g., online submission) then the listing broker should make a good faith effort to also obtain a copy of the offer and/or counter-offer. Without receiving a copy of all offers and/or counter-offers it would be very difficult for a broker to comply with his/her other statutory obligations, for example, advising the parties regarding the transaction. The Commission recognizes that real estate brokers interact with consumers that have varying degrees of sophistication and needs in real estate transactions. Brokers need to ensure that as they tailor their services to match these needs, they also perform the minimum duties required by the law.