



DIALOG

The Periodic Bulletin

from

The Arizona Department of Real Estate



Commissioner
Lowe

COMMISSIONER'S CORNER

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THERE IS AN “EXCITING ATMOSPHERE” AT THE ARIZONA DEPT. OF REAL ESTATE’S PHOENIX AND TUCSON OFFICES..... CHANGE IS IN THE AIR.

The amazing staff welcomed me, then quickly set about adopting an attitude of “Change is Good” –committing to a new theme of “TEAM – Together Everyone Achieves More”. Along with the Arizona Real Estate Industry, we are committed to our mutual goal of protecting Arizona’s constituents in their real estate transactions.

We believe that the Arizona Dept. of Real Estate must be accessible, effective and professional as we serve both the public, and the 93,000+ real estate professionals.

I am proud to share a few of our accomplishments of the past six short weeks.

- Reinstated a full 40 hr. workweek for our employees- with our offices being open for full service 5 days a week. (No more Tuesday rural only day). Added American Express and Discover to the credit cards accepted in office.
- Conducted an internal online employee survey – Realized “we need to improve”. We are preparing an Industry and Consumer survey.
- Holding regular internal meetings with all our staff together to move improvements forward.
- Centralized our phone answering HUB – A “happy human” Customer Service Rep now offers help to all callers.
- Downsized the staff from 49.4 to 44.4 and our expenses to accommodate the “downsized” FY2010 Budget Appropriation. Continuously looking at other avenues such as downsizing our square footage needs to help with our reduced budget.
- Every Division has now logged the huge backlog of open files...and are developing and implementing strategies to complete the processes necessary for “closure”.
- The Assistant Commissioners, Mary Utey over Business Services, Communication and Legislative Liaison and Janet Blair over Real Estate Services have worked closely with me to implement change.
- Diane Paulsen and her Licensing Customer Service Staff have successfully implemented the FY 2010 Fee Schedule which addresses the projected income shortages, due to the 4 year license implementation 2 years ago.

Commissioner's Corner

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- Kevin Goode's team has upgraded our website www.azre.gov Broker Personal Page to allow Designated Brokers to print their employees' licenses; view employee C.E. Credit status; and, view employee Legal Presence status, and will now focus on streamlining our internal technology platform to allow us to "do more, with less personnel and less paper".
- Education – Under the leadership of Michael Hailey and his Division, we have developed a focus of Educating the Public and the Industry to increase the perception of professionalism, increase the knowledge, and minimize the violations. We have a call out for new members for our 9 member Education Advisory Committee. Having received a huge response, we will be holding a meeting in August for all who responded, to present for discussion some proposed changes to our Education Division.
- Development Services and Investigations – Cindy Ferrin, who has just celebrated 35 years with the Department, is leading her Division to focus on completing the investigations around many Arizona developments, including many illegal subdivisions and those developers in non-compliance to their Public Reports.
- Real Estate Auditing and Investigation – Robin King and her Division have been busy closing files, as well as developing a new Property Management Broker Electronic Audit Review program to implement in August (more to come on this).
- Enforcement and Compliance – Mike Wheeler and his Division are working on their back log of open files on "Proven Violators", with the attitude of "once proven wrong, the penalty is tough".

I have received a warm welcome in my travels around our state this past month, and received many offers of help. THANKS TO EACH OF YOU. Please feel free to contact Mary Utley at mutley@azre.gov if you would like me to visit with your group...we are dedicated to allowing all Arizona citizens to be involved with the Arizona Real Estate Department and to benefit from our "Changes".

Also, VISIT WWW.AZRE.GOV OFTEN!!!

COMMISSIONER JUDY LOWE

BROKER AUDITS - PROPERTY MANAGEMENT "ELECTRONIC AUDIT REVIEWS"

In order to conserve Department resources and increase efficiency, the Department is initiating the performance of ELECTRONIC AUDIT REVIEWS. Based on the findings of an electronic audit review, an On-site Investigative Broker Audit may be performed.

The process for an electronic audit review is as follows:

✦ The Brokers to be reviewed are identified using a combination of REALM's report generator and Broker Audit Declarations. A universal spreadsheet available to all Auditors documents the electronic audit reviews to be performed and the electronic audit reviews and/or Onsite Investigative Broker Audits completed.

The initial focus of the electronic audit reviews are Brokers performing Property Management services. Electronic audit reviews will expand to Brokers' sales offices as the electronic information becomes available.

The Auditors are assigned electronic audit reviews to perform from the universal spreadsheet.

✦ The assigned Auditor contacts the Broker by telephone to advise the Broker the Department has an electronic audit review scheduled for the Broker's property management services. The Auditor further advises the Broker that he/she will receive the electronic audit review letter within 3-5 days.

The assigned Auditor sends the Broker the electronic audit review letter.

Brokers are asked to provide pertinent documentation on a CD. If the Broker is unable to burn the information to a CD, they have the option to provide the documents in paper form to the Department. The requested documentation will include, but is not limited to:

Copy of Number of Properties by Type Form.
Copies of 10 actual property management agreements currently in effect.
List of owners under contract that includes owner names and addresses
Copies of tenant lease(s) in use.
List of tenants under contract that includes tenant name and rental address.

Copies of bank statements for a specific six-month period (____ to ____)
Copy of account signature card(s)

Copies of the reconciliations, including detail, for a specific six-month period (____ to ____)
Copies of client ledgers ("owner/tenant") and balances for a specific six-month period (____ to ____)
Copies of voided checks

The Auditor directs the Broker to submit six months worth of documentation, i.e., July 1, 2008 to December 31, 2008, etc.

License Fee Schedule

State of Arizona
Department of Real Estate

License Fee Schedule Effective July 1, 2009

License Examinations

	Salesperson	Broker
Examination Application and Examination Fees combined	\$125	\$225

Original License

	Salesperson	Broker
License Fee	\$125	\$250
Fingerprint Processing	\$29	\$29
Real Estate Recovery Fund	\$10	\$20
Total:	\$164	\$299

License Renewal

Individual/PC/PLC Renewals		Salesperson	Broker
Real Estate Recovery Fund (fee per renewal per to ARS §32-2187.B)		\$10	\$20
In-Office or Mailed		\$200	\$400
Online - TIMELY		\$150	\$300
Online - LATE		\$200	\$400

Entity Renewals

Branch Office	\$200
Corporation, Partnerships, Limited Liability Companies	No charge

License Changes

Address Changes		
Business or Business Mail (per license)		\$10
Personal (In-Office)		\$20
Personal (Online)		No charge
Name Change; Business or Personal		\$20
License Reinstatement (within license period)		\$5
Hire/Sever/Transfer (In-Office)		\$10
Hire/Sever/Transfer (Online)		No charge
PC or PLC Status (add, drop, or change members)		\$10
Branch Office Realignment (duration of license based on entity license expiration date)		
1 month to 24 months		\$60
25 months to 48 months		\$80

Temporary License Certificates

Broker License Fee (90 days)	\$50
Cemetery Salesperson (90 days)	
License Fee	\$50
Real Estate Recovery Fund	\$10
Fingerprint Processing	\$29
Membership Camping Salesperson Certificate of Convenience	
License Fee	\$50
Fingerprint Processing	\$29

TEAM

"Together Everyone Achieves More"

revised 07/01/09

License Fee Schedule

State of Arizona
Department of Real Estate

Fee Schedule Effective July 1, 2009

Development Fees

	Subdivision	Campground	Timeshares
Disclosure Report (public report) Application	\$450	\$500	\$20 per Interest, \$1,000 max
Application to Amend Disclosure Report	\$250	\$300	N/A
Expedited App. to Amend Disclosure Report	\$250	N/A	N/A
Petition for Exemption	\$100	\$100	\$300

Condominium Recovery Fund	\$10/unit
Cemetery Certificate of Authority	\$500
Amended Cemetery Certificate of Authority	\$250

Miscellaneous Fees

Public Records

Photocopy of Department Records	
Copies per page:	0.25 + \$10/hr clerical
Minimum charge:	\$2 per request
CD of Department Records	\$5 + \$10/hr clerical
Postage	Varies - based on actual cost to Dept.
Retrieval and Refiling Fees for Archives	\$3.00 per file
Certification of Department Records	\$3

Annual Bulletin Subscription

Hard copy	\$20
Email	No charge

Lawbook \$15

Returned Check Fee \$25

TEAM
"Together Everyone Achieves More"

revised 07/01/09

5 TIPS FOR AVOIDING FORECLOSURE SCAMS

1. Work only with a nonprofit, HUD-approved counselor.

If you are looking for [help to prevent foreclosure](#), be sure the counseling agency is on the Department of Housing and Urban Development's list of approved agencies. Visit HUD's website for an easily searchable list of [HUD-approved housing counseling agencies](#), or call 877-HUD-1515 (877-483-1515) for more information. If you are approached by foreclosure counselors—by mail, phone, or in person—make sure the counseling agency is HUD-approved before you do business with them.

2. Don't pay an arm and a leg.

You should *not* have to pay hundreds—or thousands—of dollars. Most HUD-approved housing counselors provide no-cost counseling services and many more provide low-cost counseling. Do not agree to work with a counselor who collects a fee *before* providing you with any services or who accepts payment only by cashier's check or wire transfer. In general, do not pay money to anyone unless you know exactly what services you will receive.

3. Be wary of "guarantees."

A reputable counselor will not guarantee to stop the foreclosure process, no matter what your circumstances. Working with a legitimate counselor can certainly increase your chances of keeping your home—but be wary of people who promise a sure thing. Again, get the details of your transaction, along with any promises, in writing first.

4. Know what you are signing—and be sure you sign it.

Don't let a counselor pressure you to sign paperwork you haven't had a chance to read through carefully or that you don't understand. Don't sign any blank forms or let "the counselor" fill out forms for you. Be sure to talk with an attorney before signing anything that transfers the title of your home to another party.

5. If it sounds too good to be true, it probably is.

If you feel you may be the target or victim of foreclosure fraud, trust your instincts and seek help. For tips on spotting scam artists, visit the Federal Trade Commission's webpage on [foreclosure rescue scams](#). Report suspicious schemes to your state and local consumer protection agencies, which you can find on the Federal Citizen Information Center's [Consumer Action Website](#).



Information "HUB" (All Incoming Phone Calls & Customer Service)

TEAM
"Together Everyone Achieve More"

Between 250-350
calls
received and
answered a day!

ALL CALLS
771-7700, 771-7730, and Tucson
Office (520) 628-6940



Veronica DeLaTrinidad
One Unique thing about
Veronica: **She is the
proud mom of a 2 year
boy.**



Jon Salak
One Unique thing about
Jon: **Being retired
military has helped Jon
with customer service.**



Tami Grays
One Unique thing about
Tami: **She can't swim.**

Calls AAR can address

By K. Michelle Lind, Esq.

Both the ADRE and AAR receive numerous calls from members of the public and real estate licensees with questions, concerns or a desire to file a complaint. At times, the ADRE refers calls to AAR that it can not address, which results in frustration for the person attempting to obtain guidance. AAR would like to clarify the types of issues it can address and would appreciate it if you could forward this information to your customer service providers.


Legal Questions: AAR can not answer legal questions.

AAR members with legal questions may be referred to their Designated Brokers, who have access to the lawyers on the AAR Legal Hotline for these types of issues. The Hotline number is 1-800-533-9294 and the ID number is the Broker's NRDS Member number. (The Hotline is available Monday through Friday 9:30 to Noon - 2:00-4:30). For information regarding access to the AAR Legal Hotline, go to: <http://www.aaronline.com/documents/LH.aspx>

Members of the public with legal questions may be referred to independent legal counsel. Certified Specialists may be located through the Arizona State Bar at: <http://www.azbar.org/LegalResources/findlawyer.cfm> or they may call the State Bar at (602) 340-7327. Additionally, Maricopa County Bar Association, Lawyer Referral Service (602) 257-4434 and Community Legal Services (602) 258-3434 provide no or low cost attorney services.

Code of Ethics Violations: AAR can assist an individual who wants to file a complaint against an AAR member alleging a violation of the NATIONAL ASSOCIATION OF REALTORS® (NAR) Code of Ethics. The Code of Ethics imposes duties that apply only to real estate professionals who choose to become REALTORS®. You can find information on filing such a complaint at: <http://www.aaronline.com/Disputes/Ethics.aspx>

"REALTOR®": Many members of the public are not aware the term "REALTOR®" is a trademark and they often use it in reference to real estate licenses in general. Therefore, it would be helpful to confirm that the call truly involves a REALTOR® issue as opposed to a license or regulatory issue prior to forwarding the caller to AAR.

Finally, please be assured that AAR is committed to the industry and does want to assist callers in any way possible. If you have any questions about the services that AAR provides, or suggestions as to how AAR might better assist the ADRE with these types of calls, please do not hesitate to let me know! 

Arizona Association of REALTORS® (AAR)

255 E. Osborn, Suite 200

Phoenix, AZ 85012

Phone: (602) 248-7787 or 800-42-7274

Website: aaronline.com

MichelleLind@aaronline.com



A Refugee's Perspective

By Georgia Septic



I hold a unique position in Multi-housing real estate in Arizona. My name is Georgia Sepic and I rent the apartments to the refugees. I am proud to say that I have chosen to welcome refugees in two apartment complexes that I own. Like the Olympic Stadium #Bird's Nest" in Beijing, my apartment complexes are full of people from many parts of the world who have a huge amount of strength and courage and a common goal. Unlike the Olympiads whose goal is winning, refugees goal has been survival from persecution. For them, the "goal" is finally having a safe home to raise the family. Their eventual placement in the USA is a huge stroke of luck. Only 1/2 of one percent of people the United Nations High Commissioner on Refugees defines as refugee* are invited to live in US. In Arizona, between two and three thousand refugees arrive each year in Phoenix.

Legal immigrants to USA, refugees arrive with the hopes to better themselves and their families. Each group is unique. The Cubans and Iraqis are very resourceful and eager to prosper. Cubans on average are in the market to purchase the house within 2-3 years. Other groups have been in camps or running from danger for 10-20 years and have a big learning curve to the American culture. For these groups, basic orientation is necessary to make a smoother adjustment to the American way of life-daily cleaning, personal hygiene, food shopping, household duties and all the other things that are a daily routine for most of us. Each ethnic group has different needs and different educational backgrounds from doctors and lawyers to illiterate peasants.

My apartments are different because we do so much more than collect the rents. I have invited case managers and volunteers to use a few apartments to help refugees with adjustment. One of the apartments is used for storing clothing and household items. In another apartment, we provide space to the resettlement agencies that support the newly arriving refugees. They teach ESL classes, banking orientation, as well as school and job orientations. To help the language barrier, my company employs a Cuban, a Burmese and a Burundian who speaks 6 different languages.

Working with the refugees is very demanding but rewarding job. Along with the framework I have created at my apartment complexes, I have invited the great support from Organizations in Phoenix. These organizations are Catholic Refugees Resettlement Agency, Lutheran Services, International Rescue Committee, The Welcome to America Project, and numerous churches and sponsors. We also have some of the most dedicated volunteers in Phoenix who organize our clothes closets, tutor refugee children, provide uniforms and school supplies. Refugee families face many challenges including low paying jobs, utility bills, large households and the collision between life in their country of origin and new technology. But, as I have opened up my apartments to housing refugees, I have met some of the most fantastic and generous people I will know in my life.

One of these generous people is Officer Joe Trujillo from the Multi- Housing Crime Free Program from the Phoenix Police Department. His officers have been very supportive and willing to keep our complexes secure as well as provide services for the different topics such as domestic violence, school bullying and most of all basic safety precautions. The Phoenix PD would agree with us that refugees have revitalized the neighborhoods. They are great neighbors with integrity and drive to succeed. They bring in new culture and new ideas and new visions.

Apartment industry benefits with high occupancy rates, rises in property values, steady income and most of all extremely low crime rates. My apartments- both Rancho Encanto and Serrano Village, have seen a drastic drop off in police calls to the complex. Within short period of time, properties are ready to be Crime-Free certified.

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A REFUGEE'S PERSPECTIVE

Continued from page 9

I would like to remind everyone that the word refugee means a person who owing to a well-founded fear of being prosecuted for the reason of the race, religion, nationality, membership of a particular social group, or political opinion, is outside the country of their nationality, and is unable to or, owing to such fear, is unwilling to avail him/himself of the protection of that country. America was and still is the land of opportunities. Refugees that are fortunate enough to be chosen and allowed to enter this country need our guidance and help to make a smoother adjustment to everyday routine. Spices add a great twist to an original meal. Refugees bring a new flavor to American society.

As Theodore Roosevelt said in 1907 "We should insist that if the immigrant who comes here in good faith becomes an American and assimilates himself to us, he shall be treated on an exact equality with everyone else, for it is an outrage to discriminate against any such man because of creed, or birthplace, or origin."

Editor's Note: Georgia Sepic came to the United State in 1985. She has been involved in the apartment industry since that time and owns 2 large apartment complexes in the Phoenix area. In 2006 she received the Humanitarian Award Atilla Magyar for her work with refugees from Catholic Charities Refugee Resettlement Agency. She may be contacted at Desertsunshine1@yahoo.com

Education Advisory Committee

Special "Thanks" to those individuals who have served on the Department of Real Estate

Education Advisory Committee. These individuals have provided the department with insights, feedback and recommendations regarding the education of our many licensees.

Committee members were:

Barbara Freestone, Bill Gray, Robert Bass, Mary Lee Greason, Ernie Montoya, Karen Bohler, Robert Hamm, Cecil Daniels, Michael Harris, Dave R. Peterson, Lin Ferrara, Jim Hogan.

Brokers...Let's Remember!

Visit www.azre.gov and view your Broker Personal Page to:

- Monitor your employees compliance with
- Continuing Education requirements
- Legal Presence; upload compliance
- Print employees license
- Please remind your employees to input/ revise their email address-in order to receive communication from the Department, i.e. reminders of license expiration.
- Develop an internal system to monitor licensing requirement compliance-it is a Broker responsibility.
- If you do Property Management, prepare your systems to accommodate an "Electronic Audit Review."

Real Estate Advisory Board



Frank Dickens-Scottsdale
Residential Licensee
Member
Term Expires 1/31/2011
(480) 596-9799
frankdkns@msn.com



Tom Pancrazi-Yuma
Broker Member
Term Expires 1/31/2011
(928) 782-0000
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Kathy Howe-Sedona
Broker Member
Term Expires 6/2010
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Kathy@KathyHowe.com



Patti Shaw-Phoenix
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Term Expires 1/31/2011
(520) 795-8728
AWhite@q.com



Bruce D. Mosby-Phoenix
Public Member
Term Expires 1/2014
Bdm23@cornell.edu



Real Estate Advisory Board "Facilitator Role"

Real Estate Advisory Board members act as "citizen facilitators". In an effort to provide citizens with an alternative avenue that might be less intimidating for them to approach, or should the public have a problem concerning the performance of the Department of Real Estate, the facilitator will be available to help act as intermediaries in facilitating communication.

Many problems result from miscommunication, a mistake, or something that caused the normal administrative process to break down. Individuals who experience delays in responses from the Department, who express displeasure with perceived "bureaucratic red tape," or who have a mind-set that they are not getting the attention they deserve will be able to contact an Advisory Board Member will then act as a neutral third-party between the Department and the complainant to clarify the issues at hand, open the lines of communication, and even help the individual understand the timeframes and processes at the Department. By serving in this capacity, Advisory Board Members will be helping the Department respond to individual complaints/ concerns in a timely, courteous and impartial manner.

ADRE Assistant Commissioners



Janet Blair
Assistant Commissioner
Real Estate Services
(602) 771-7749
Email: jblair@azre.gov

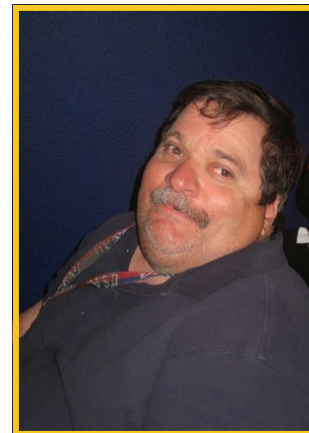


Mary Utle
Assistant Commissioner
Business Services, Communications &
Legislative Liaison
(602) 771-7766
Email: mutley@azre.gov



July 1974

Cindy Ferrin has been with ADRE for 35 years. During her time at the Department she has taken on various roles with her most current providing oversight of the Development Services Division.



January 1979

Bob Cates has been with ADRE for 30 years. He is a Customer Service Representative and enjoys his interaction with the public.

Trust Accounting-Can you Trust Your Methods?

For many people, trust accounting is a complicated experience. Some brokers tend to procrastinate and hope it will go away which can only complicate the problem. The designated broker bears the ultimate responsibility for all trust account funds and record keeping. Brokers should have a good knowledge and understanding of the requirements and reports even when they hire accountants, bookkeepers and employees to do the work on their behalf. A.R.S. § 32-2151 and 32-2174, as well as Commissioner's Rule R4-28-303 are among the statutes and rules that apply to trust accounts and related records.

Brokers are required to maintain a complete record of all monies received. Records must be kept in accordance with generally accepted accounting principles. Brokers may choose to handle trust accounting either manually or by computer. No matter which method of accounting is used, the broker's records must include a properly descriptive receipts and disbursement journal (commonly known as a checkbook or check register) **AND** client ledger (an individual breakdown of the funds held for each party such as each owner, tenant, buyer). One of the more common violations occurs when client ledgers are not maintained properly.

For every deposit, withdrawal, transfer and check there must be a record. Deposit slips are required to be descriptive including the date, amount and names of all parties to the transaction. In the case of computerized trust account records for property management, names of parties to the deposit are not required to be written on the deposit slip if the computer program provides the necessary information for each deposit. For property management funds, should the broker and owner agree, money can be deposited directly to the owner's account instead of a trust account. If this is the case,

the broker is **NOT** required to have a trust account; however the broker is not to have any access to the owner's account either.

Brokers are required to maintain a trust account reconciliation and client ledger balance on a monthly basis. In many cases when a broker has a shortage or unacceptable overage in their trust account, it is because they have not reconciled the account on a monthly basis. One of the most prudent methods of catching and correcting any bank or employee error is by monthly reconciliation. In most cases when an employee has converted or embezzled funds from a trust account, the broker has had no involvement in or knowledge of the monthly reconciliation process.

Trust account reconciliation is a two part requirement. One part is the bank statement and the receipts and disbursements journal. The second part is the adjusted balance and the client ledger balance. As with any bank account, a statement is received from the banking institution which reflects all activity within the account for the given period, usually monthly. Any checks written and not cleared must be accounted for, as are any deposits, transfers and withdrawals. There will be adjustments needed for such things as interest, bank charges and returned items to the account. By taking the bank statement balance, subtracting outstanding checks and disbursements, adding outstanding deposits and receipts and offsetting the necessary adjustments, an adjusted balance is determined. This should be the balance in the broker's receipts and disbursements journal for the same date as the ending date on the bank statement. If the adjusted balances are not the same, an overage or shortage exists. The adjusted balance should be the same and

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Trust Accounting-Can you Trust Your Methods?

should always be the same and should then be compared to the client ledger balance. If they are not the same, an overage or shortage may exist. In other words, what the broker has in the trust account and what the broker owes to the various parties should always be the same.

When these balances are not in agreement, research must be done to determine the error or problem. When this is done promptly, it is easier to find and correct the error or problem, than when it is left undone or not resolved. By comparing the three figures, fraudulent action is easier to determine. For example, the receipts and disbursements journal and bank statement could be in balance and reconciled; however the broker could owe more money to clients than the broker has in the trust account. This usually is a sign of errors, commingling, conversion of funds and/or other violations.

The broker may have their own money, not to exceed five hundred dollars, in a trust account. This is usually for such things as bank charges, fees and minimum balances. This is NOT considered commingling. The broker cannot however, use a client's trust account to properties in which the broker is a principal. If interest is earned on a trust account, the funds must be removed at least once every twelve months. If interest is to be retained by the broker (with written authorization such as in a property management agreement) that which puts the broker over the five hundred dollar amount would have to be removed more frequently. If the interest is to be paid to the owners or tenants, it should be disbursed per the terms of the property management agreement. At all times, the broker should maintain a record of all broker funds and transactions and include the balance as a part of the monthly reconciliation.

A broker may choose to add other parties as an authorized signatory on a trust account. If a trust account is used for property management only, the broker may authorize a licensee under that broker's license or an unlicensed person

in their direct employ to have signatory authority. If the person is an unlicensed person, they must be a bona fide officer, member, principal or employee of the property management firm. If the trust account is used for sales/earnest or any other combination of uses, the broker may only grant signatory authority to a licensee under that broker's license. Of course, the broker remains responsible and potentially liable for any money handled by others.

Records related to property management trust accounts are to be maintained by the broker for a period of three years. This includes bank statements, canceled checks, receipts and disbursement journals, and all other related records. Records related to sales and other real estate transactions are to be kept for a period of five years. As a result, trust account records for these areas are also required to be maintained for the five year period. In the event that a trust account is used, for example, for property management and sales, the five year record keeping rule applies.

Trust account records are to be kept at the broker's main office or at an off-site storage location. In the event they are kept somewhere other than the main office, the broker is required to notify the Department, in writing, within 10 days of opening, closing or relocating a trust account.

When a broker is involved in trust accounting, he or she bears the responsibility of managing other parties' monies. This means that prompt and accurate accounting is not only prudent, it is required.

Editor's Note: This article is a reprint originally written by Lynda Gottfried, former auditor with ADRE.

Check your email at www.azre.gov
The Department is focusing on good communication
with Arizona's Real Estate Licensees-
Most of this will be via email and/or electronically
on the Department website www.azre.gov

PLEASE UPDATE YOUR EMAIL TODAY!

Short Title: Continuing Education Requirements for Renewal of 4-Year License

This substantive policy statement is advisory only. A substantive policy statement does not include internal procedural documents that only affect the internal procedures of the agency and does not impose additional requirements or penalties on regulated parties or include confidential information or rules made in accordance with the Arizona Administrative Procedure Act. If you believe that this substantive policy statement does impose additional requirements or penalties on regulated parties you may petition the agency under ARS 41-1033 for a review of the statement.

Description of Practice/Procedure:

An agent or broker (licensee) who has a four-year license must receive 24 hours of continuing education credit (CE) in the first 24 months of the license period and 24 hours of CE in the second 24 months of the license period in order to be eligible for renewal. Each 24 hours of CE must fulfill the requirements established by rule.

2. Prior to the end of each 24-month period, licensees shall provide the following information to the Department:
 - a. The course name
 - b. The course number
The date the course was completed

Licensees shall utilize the Department's online license system to provide this information.

4. As a courtesy, if a licensee has not reported this information, the Department will send a 90-, 60-, and 30-day email notice to the licensee prior to the expiration of the first 24-month period and prior to the license expiration date. If the licensee has an employing broker, the employing broker will also receive the 90-, 60-, and 30-day email notice. If the licensee and/or employing broker do not have an email address in their online licensee ADRE account, the licensee and/or employing broker will not receive these courtesy notices
5. If a licensee does not comply with and report the CE information via the online license system to the Department by the end of the first 24 months, the licensee (and the employing broker, if applicable) will receive notice that CE requirements are not met by the licensee and evidence of completion must be submitted as prescribed by the commissioner. A licensee is not eligible to renew if the licensee is not compliant with continuing education requirements. In addition, the Department may take disciplinary action against licensees for non-compliance with the continuing education requirements.
6. The Department will consider that an employing broker has provided reasonable supervision of a licensee who is not in compliance with the CE requirement if either of the following occur within 30 days after the licensee is out of compliance:
 - a. The licensee attends the required CE and submits the required evidence of CE to the Department as prescribed by the commissioner; or
The employing broker severs the licensee and reports the action to the Department.

Authority: A.R.S. §32-2130(A), A.R.S. §32-2153, A.R.S. §32-2160.01(A), R4-28-402

Policy Program: Licensing/ Education /Enforcement

Effective Date: Revised 07-21 09

IMPORTANT INFORMATION REGARDING YOUR LICENSE

Based on a recent audit of the Licensing and Education Division Records, more than 1500 licensees have failed to complete their education requirements for licensure. This notice is meant to inform Licensees and Employing Brokers of the penalties that may be imposed if education requirements for licensure, the submittal of twenty-four credit hours of ADRE-approved continuing education courses every two years, is not completed to remain in good standing. Please review the information that is provided in the bulletin to avoid further disciplinary action:

RE: ACCELERATED SETTLEMENT AGREEMENT PROCESS (Failure to Complete Continuing Education (CE) Requirements)

Date:

Dear <<Licensee>>

This is a notification that you have failed to comply and complete your education requirements for licensure. Each licensee must complete twenty-four credit hours of ADRE-approved continuing education (CE) courses every two years to remain in good standing. As of (expiration date), you lacked sufficient continuing education credit hours, therefore you are being warned you are now violating Arizona Department of Real Estate Statutes and Rules. If you are an Employing Broker receiving this notice, you have overall responsibility for supervision and control over the licensing renewal of your salespersons and also may be out of compliance. Both the Licensee and the Employing Broker, with the correct **email addresses** at the Department, have received a 90 day, a 60 day and a 30 day reminder of the pending Requirement.

While the Department has determined that these circumstances do not warrant disciplinary action at this time, we want to notify you that you are no longer in compliance with our regulations, and implicit concern is appropriate. Although this letter is non-disciplinary in nature, it is intended to advise and inform you of the applicable statutes and the need to for you to remedy the situation immediately.

Please comply within thirty days of this notice or real estate license laws and rules may result in disciplinary action. The Department will consider this letter and the underlying facts related to it in such a situation. As a non-disciplinary action, this notice is not subject to appeal and will be maintained as a public document in the Department's files. Please understand that after 30 days of this notice you will receive a penalty.

Visit the Arizona Department of Real Estate website at www.azre.gov for instructions for Education Compliance. **When your Education Compliance has been documented, immediately send confirmation to**

ceconfirmation@azre.gov

Sincerely,

Disciplinary Actions

The Department is publishing a "Special Edition" noting Disciplinary Actions that have occurred from January to June 2009.

Please visit our website: www.azre.gov

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ARIZONA DEPARTMENT OF REAL ESTATE

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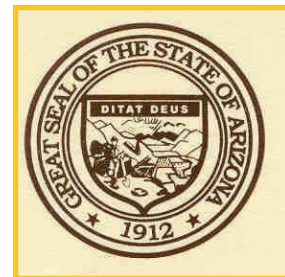
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Note: Please check your mailing label and if the date above your name is more than 1 year old, you must subscribe for another year. Send check for \$20 payable to ADRE and note your request on your envelope.

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