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Illegal subdivision costs developers $187,000

In the largest negotiated settlement in the Department's history, three companies and three individuals agreed to pay $87,000 in civil penalties to resolve allegations of illegal subdividing in the Queen Creek area. In addition, the respondents agreed to pay approximately $100,000 to Johnson Utilities to provide water and sewer service for the property.

Respondents Jeito, Inc., Cowley Companies, Ltd., Dixon D. Cowley, SMT Investors, Ltd., Suzette Cowley Tyler and Timothy Cowley signed a Consent Order May 26 which required them to pay $25,000 to the Department, $5,000 to the State General Fund as compensation for the cost to ameliorate dust pollution from unpaved roads in the subdivision, $7,500 for investigative costs and $50,000 to Pinal County as compensation for damages caused by lack of road improvements.

The Department alleged that through a series of transactions, the respondents made multiple splits of a 200-acre parcel in Pinal County without first obtaining a Department of Real Estate Public Report. Details are contained in the Consent Order on page 7.

'Broker Management Clinics' to begin November 1

Approved Arizona real estate schools will begin offering Broker Management Clinics November 1, according to John Bechtold, the Department's Director of Education and Licensing.

The clinics replace Broker Audit Clinics which have been presented for years by the Department of Real Estate. Privatization of the clinics became possible through legislation enacted in the recent legislative session.

Although the legislation is effective July 18, the Department will continue to present Broker Audit Clinics through October. A schedule of clinics can be found on page 3.

All newly licensed brokers must attend a clinic within 90 days of licensure. The legislation requires designated brokers to attend a clinic once during every *two-year license period* instead of once every four years as in the past

Real Estate Commissioner Jerry Holt has named the following people to a committee whose job it is to develop clinic curriculum and instructor qualifications:

- John Bechtold, Director of Education and Licensing for the Department;
- Cindy Wilkinson, the Department's Education and Policy Officer;
- Cindy Ferrin, ADRE's Director of Customer Services;
- Caroll Pierce, a Department auditor who presented the Department's Broker Audit Clinics in Phoenix;
- Lynda Gottfried, ADRE's Audit Supervisor who presented the Broker Audit Clinics in Tucson;
- Bill Gray, Owner of the Arizona School of Real Estate & Business, Scottsdale;
- Jim Hogan, Owner of the Hogan School of Real Estate, Tucson;
- Fred Brodsky, Owner of the Brodsky School of Real Estate, Tucson;
- Jim Marrion, Owner of the Professional Institute of Real Estate, Scottsdale;
- Alice Martin, Executive Vice President, Arizona Association of Realtors®
- Suzanne Gilstrap, Gilstrap & Associates, representing the Arizona Multihousing Association;
- Ed Ricketts, real estate broker and educator.

The committee met for the first time May 17 and will continue to work through the summer.

Two Instructor Development Work-

Continued on page 10

"Growing Smarter" disclosure affidavit available from AAR Web site

Senate Bill 1001, the "Growing Smarter" legislation enacted during the last legislative session, amended A.R.S. § 11-806 to require the seller of five or fewer of parcels of land (other than subdivided land) in an unincorporated area of a county, to furnish a prospective buyer an affidavit of disclosure at least seven days before transfer of the property.

The buyer has the right to rescind the sales transaction for a period of five days after receipt of the affidavit. The seller must record the executed affidavit at the time of transfer of the deed.

The legislation became effective May 18, 2000.

Continued on page 10

Violate RESPA and lose your license

by Richard Blair
Reprinted, with permission, from the June 2000 issue of the Arizona Journal of Real Estate & Business.

Each day real estate agents are solicited by mortgage companies and lured by the chance to make a double commission in each transaction. The real estate agent can earn a commission from the sale of the property and also be compensated by the lender for the client's mortgage. This appears to be a win-win situation because the mortgage company wants to increase its lending volume by having the agent "steer" their borrowers and the real estate agent stands to increase his or her earnings.

The slick advertising brochures and presentations by mortgage companies tout only the potential financial benefits for real estate agents, but rarely disclose or discuss the potential pitfalls. What the brochures And presentations don't tell you is that some of these lender fee programs may violate the Real Estate Settlement Procedures Act ("RESPA") and the price you pay can be the loss of your license, criminal sanctions, a $10,000 fine and civil liability. Before committing to a lender fee program, examine recent developments, review any documentation related to your involvement, and consult an attorney or other knowledgeable people in the real estate industry so that you will make an informed decision.

The regulatory teeth of RESPA is found in "Section 8" (12USC § 2607) which strictly prohibits kickbacks, fees, or things of value pursuant to any agreement or understanding that business shall be referred from one service provider. to another. Section 8 or RSPA applies, to activities of mortgage brokers because RESPA applies to the origination, processing and funding of "federally related mortgage loan" and generally encompasses home loans to consumers, but its definition under RESPA is very broadly construed.

A "thing of value" under RESPA is also broadly defined to include all types of compensation, and is not limited to money. The requirement for an "agreement and understanding" for the referral of business need not be written or verbalized by the parties, but ran be implied from a repeated course of conduct between the parties.

The lender fee agreements are generally premised upon an exception set forth in Section 8(c) of RESPA. According to Section 8(c), nothing in Section 8 shall be construed as prohibiting the payment to any person of a bona fide salary or compensation for services actually performed. Under Section 19 of RESPA, HUD is authorized to issue rules and make interpretations as is necessary to implement RESPA.

HUD used that authority, and on March 1, 1999, issued its Statement of Policy Regarding Payments By Lenders To Mortgage Brokers (referred to as Statement of Policy 1999-1). It is strongly recommended that, you review HUD's Statement of Policy 1999-1 before participating in a lender fee program. *[Editor's Note: The Statement of Policy 1999-1 may be found at http://www.hud.gov:80/pressrel/rsp - ntce.html.]*

While the Statement of Policy was issued in response to the payment of yield spread premiums from lenders to mortgage brokers, it provides an excellent baseline in which to analyze the lender fee programs offered by mortgage companies.

You should carefully examine the following aspects of your relationship with the mortgage company, especially if you are being paid a percentage of the loan origination fee.

1. Are you a, full-time or part-time employee of the mortgage company? Remember that the.exemption under Section 8 refers only to bona fide employees, therefore consideration should be given as to whether you are really a true employee functioning as a loan officer or are you essentially an independent contractor, steering business to the lender for compensation or originating an occasional loan. Consider whether the structure. of the lender fee program is typical of the usual employer/employee relationship and whether it meets the test for a bona fide employment relationship. If the employment relationship is suspect, some or all of the compensation may be designated as an illegal referral. fee or kickback under RESPA.

2. Does the compensation paid by the mortgage company represent a fair and

Continued on page 10

HUD cracking down on RESPA violations in AZ

The U.S. Department of Housing and Urban Development (HUD) is imposing large monetary penalties on "HUD-approved" mortgagees who employ real estate licensees and licensees who work for mortgage firms. The agency has begun handing out stiff penalties to mortgagees and real estate licensees who it says are violating HUD regulations.

One Phoenix man who holds an inactive Arizona real estate broker's license and who works for a HUD-approved lender reported that he, and an associate who also works for the lender, were fined $5,000 each. The associate holds an inactive real estate salesperson's license.

According to a document sent to the Department of Real Estate by Stephen F. Gargano, a compliance officer with HUD's Santa Ana (Calif.) Homeownership Center, mortgagees may not share office space with real estate brokerages, and real estate licensees may not work part-time for mortgagees. The restrictions described apply only to HUD-approved mortgagees who are involved with FHA loans, and real estate licensees employed full or part-time by HUD-approved mortgagees.

Mortgagees main and branch offices "must be located in a space that is separate and apart from any other entity," The document states. But "a mortgagee may share general reception-type entrances or lobbies with another business entity."

While HUD permits mortgagees to employ part-time employees, none of the mortagee's employees may be employed as a real estate salesperson or broker.

Mr. Gargano said mortgagees in Arizona are currently being "reviewed" by HUD to look for violations. Hefty monetary penalties -- in the range of tens of thousands of dollars -- are being assessed when violations are found.

For more information, call HUD's Quality Assurance Division at the Santa Ana Homeownership Center at 888-827-5605.

Jerry Holt

News From The Commissioner

As some of you may have heard, I entered Good Samaritan Hospital in Phoenix on April 29th and underwent heart bypass surgery of three vessels on May 2nd. It was a close call because the arteries were 100 percent, 90 percent and 80 percent blocked respectably. Thank heaven there are such skillful surgeons around to perform these "miracle" operations. My doctor tells me I am making a very satisfactory recovery and should be able to return to work in four to six weeks.

My thanks to all of you who sent cards, letters and e-mail with your encouraging words. It was thoughtful of you, and it certainly brightened my days.

I must also thank my dedicated staff members who are watching the store while I'm away. Special thanks goes to Denise Sulista, my assistant, who talks with me by telephone every few days to keep me up to date on what's going on over at 44th Street and Thomas, and to John King, my Deputy Commissioner, who suddenly has his hands full with my work and his too.

Broker Management Clinics

In the story on page 1, you'll see that I've hand-picked members of a committee whose job it is to smooth the transition between Department-produced Broker Audit Clinics, and the Broker Management Clinics which will be presented by several Arizona real estate schools beginning November 1.

The committee will ensure that the curriculum will be more than adequate to educate brokers about their management duties, and that the instructors are thoroughly qualified to teach the classes. The committee will work through the summer to complete their task. We will announce the names of the schools where you may attend a Broker Management Clinic before November 1. Meanwhile, you may still reserve a seat at the September and October ADRE Broker Audit Clinics in Phoenix and Tucson. More information can be found on page 4.

We were pleased by the legislation which privatized the Broker Management Clinics. The Department has not had the manpower nor frequent enough access to auditoriums in which to present the Broker Audit Clinics to meet the demand. Auditor Caroll Pierce, who presents our Clinics in Phoenix, and Audit Supervisor Lynda Gottfried who does that job in Tucson, have done an exemplary job. They are two of those exceptional individuals who always do outstanding work and rarely get the credit they deserve.

Arizona Real Estate Law Book

Although few real estate statutes were amended during the recent legislative session, more than 35 of the real-estate related statutes in our Law Book were amended. The changes become effective on July 18. We will publish an entirely new version of the book just as soon as possible -- most likely in September. We are adding a few statutes of interest to real estate professionals, including those addressing public and military airport disclosure. As before, the new Law Book will also be available on the World Wide Web.

Commissioner's Rules

The Governor's Regulatory Review Committee approved our proposed changes to the Commissioner's Rules on May 2, and the revised rules are available on-line at www.re.state.az.us. The new rules will, of course, be included in the new Law Book. Because they are already in effect, you might wish to download the new Rules package now.

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2000 Schedule of Broker Audit Clinics

A.R.S. § 32-2136 requires all newly licensed real estate brokers to attend a Broker Audit Clinic presented by the Department within 90 days of issuance of their original broker's license. ***Effective July 21, 1997, all designated real estate brokers must also attend a Broker Audit Clinic within 90 days after becoming a designated broker unless the broker has attended an audit clinic during the broker's current licensing period.*** All designated brokers shall attend a broker audit clinic once during every four-year period after their initial attendance. (See note below.)

Seating is limited and reservations are required. To make a reservation for a Phoenix clinic, call the Department's Customer Services Division at (602) 468-1414, extension 100. In Tucson, call (520) 628-6940. Those who fail to make reservations will be turned away if seating is not available. Brokers who attend will receive three hours of continuing education credit in the category of Commissioner's Standards.

The following is the schedule of Clinics to be offered in Phoenix and Tucson during the remainder of 2000. Additional clinics may be scheduled from time to time at other locations in Phoenix and in rural areas.

PHOENIX	**TUCSON**
Industrial Commission Auditorium	State Office Building
800 W. Washington	400 W. Congress
	Room 222
1 p.m. to 4 p.m.	**1 p.m. to 4 p.m.**
April 20	April 19
May 18	May 17
June 15	June 14
July 20	July 19
August 17	August 16
September 21	September 20
October 19	October 18

Note: Beginning November 1, the Broker Audit Clinic will be known as the Broker Management Clinic pursuant to A.R.S. § 32-2136 and will be offered only by approved Arizona real estate schools. Effective July 18, 2000, all designated brokers are required to attend a Clinic *once during every two-year licensing period* after their initial attendance rather than once every four years as before. See story on page 1.

**The mission of the
Arizona Department of Real Estate
is to safeguard and promote the public interest
through timely and capable assistance,
fair and balanced regulation,
and sound and effective education.**

ADMINISTRATIVE ACTIONS

REVOCATIONS

99A-040
Jeannie D. Sherrill, aka Janie Deloris Maxwell, aka Jeanie Dotson Tanner
Tucson
DATE OF ORDER: April 10, 2000
FINDINGS OF FACT: In her February 23, 1998 application for a cemetery salesperson's license, Respondent failed to disclose a 1989 conviction in Alabama for unlawful possession of a controlled substance and obtaining drugs by fraud, a class C felony.

The Department issued a Complaint and Notice of Hearing in this matter. Respondent failed to claim the Notice mailed to her addresses of record.
VIOLATIONS: Respondent procured or attempted to procure a cemetery salesperson's license by misrepresentation by filing an original application that was false and misleading, in violation of A.R.S. § 32-2153(B)(1). Respondent has been convicted of a felony in violation of A.R.S. § 32-2153(B)(2). Respondent made substantial misrepresentation as to her criminal background in violation of A.R.S. § 32-2153(B)(3). She has been found guilty of conduct constituting fraud or dishonest dealings within the meaning of A.R.S. § 32-2153(B)(5). She failed to show she is a person of honesty, truthfulness and good character, within the meaning of A.R.S. § 32-2153(B)(7). She has violated state laws that involve dishonest dealings in violation of A.R.S. § 32-2153(B)(10).
DISPOSITION: Respondent's cemetery salespeson's license is revoked.

LICENSE APPLICATIONS DENIED

99A-160
Keven Dean Worsley
Phoenix
DATE OF ORDER: March 24, 2000
FINDINGS OF FACT: Applicant was licensed in Arizona as a real estate salesperson from 1973 until 1978, and as a real estate broker from 1978 to 1997. The Department revoked his license in 1997 after he was convicted of misdemeanor indecent exposure.

In October 1999 Applicant filed an application for an Arizona real estate broker's license in which he disclosed his conviction. The Department notified Applicant of its intent to deny the application. Applicant requested an administrative hearing.

At the hearing, Applicant stated he is remorseful about his criminal conduct and feels he has been rehabilitated. He also submitted two character reference letters written days before the hearing, one from his employer, and another from a licensed contractor Applicant has known for eight years.

The Administrative Law Judge found the letters "are entitled to some weight, but not a great deal," pointing out that there is "an odd similarity to the letters, as if they were drafted by the same person and then modified by the signers."
DISPOSITION: License application denied.

CONSENT ORDERS

00A-021
Norman L. Gifford
Tempe
DATE OF ORDER: March 30, 2000
FINDINGS OF FACT: Respondent is currently employed as designated broker for Norm and Jean Gifford, Ltd., an Arizona corporation dba Re/Max 1st Choice Realty.

In his 1996 application for a real estate salesperson's license, and in his 1999 application for a real estate broker's license, Respondent disclosed a 1973 or 1974 arrest and conviction in Sierra Vista for stealing from his employer when he was 17 years old. He also disclosed a 1990 arrest which did not result in a conviction.

Since issuing Respondent's broker's license, the Department has learned that in July 1988 Respondent was convicted in California of intent to defraud, a misdemeanor. He was sentenced to two years' court probation and ordered to pay restitution, a fine and court costs.
VIOLATIONS: Respondent's failure to disclose the California conviction in his original license application constitutes procuring or attempting to procure a license by filing an application which was false or misleading in violation of A.R.S. § 32-2153(B)(1). Respondent violated a state law that involved forgery, theft, fraud, substantial misrepresentation or dishonest dealings as described in A.R.S. § 32-2153(B)(10).
DISPOSITION: Respondent's real estate broker's license is suspended for 10 days beginning March 31, 2000 or on entry of this Order. Respondent to pay a civil penalty in the amount of $1,250. Respondent is required to attend 12 hours of approved continuing education, in addition to hours required for license renewal, on the topics of Commissioner's Standards, Agency Law and Broker Responsibilities.

00A-001
Thomas John Baynes
Scottsdale
DATE OF ORDER: April 3, 2000
FINDINGS OF FACT: In his December 1999 application for renewal of his real estate salesperson's license, Petitioner disclosed a November 1999 conviction for two counts of aggravated assault, class 6 undesignated offenses. The court suspended imposition of sentence and placed Petitioner on supervised probation for a period of three years beginning November 3, 1999. He was also incarcerated in the Maricopa County Jail for one month.
VIOLATIONS: Petitioner violated Arizona state laws that involve violence against another person in violation of A.R.S. § 32-2153(B)(10).
DISPOSITION: Petitioner's application for license renewal is approved provided he satisfies certain conditions: Petitioner is to pay a civil penalty in the amount of $1,500. Petitioner shall take 15 hours of approved continuing education, in addition to hours required for license renewal, in the areas of Commissioner's Standards, Real Estate Law and Real Estate Ethics. If the class 6 undesignated offenses are classified as felonies, the Commissioner has the right to revoke Petitioner's license. If Petitioner is convicted of a misdemeanor or felony within two years from the date of entry of this Order, the Commissioner may revoke Petitioner's real estate license.

99A-177
Stephen T. Hagedorn
Phoenix
DATE OF ORDER: April 6, 2000
FINDINGS OF FACT: Respondent was issued an original real estate broker's license in March 1992. His license is currently inactive and expired on March 31, 2000.

At all times material to this matter, Respondent was employed as an associate broker with C21-Metro Company. Respondent was severed from C21-Metro on September 14, 1999.

On October 21, 1999, the Department received a complaint from Bob Piwowarski of Vancouver, Wash., in connection with several rental properties he owned in Phoenix, alleging that:
a. Respondent contacted Piwowarski on June 2, 1999, and solicited a listing on behalf of C21-Metro for Piwowarski's properties consisting of 13 units located in Phoenix.
b. Piwowarski faxed authorizations dated June 28, 1999, to Respondent for him to manage and/or sell the properties commencing July 1, 1999, and Respondent agreed to mail formal agreements and contracts to Piwowarski.
c. On July 7, 1999, Piwowarski contacted Respondent regarding the contracts and management agreement, and Respondent said he would mail them within two weeks. Respondent assured Piwowarski that the properties were listed and were under good management.
d. During the period from July 21, 1999,through September 15, 1999, Piwowarski made numerous telephone calls to Respondent and his broker attempting to obtain the contracts, the management agreement and an accounting, but received nothing.
e. On September 27, 1999, Piwowarski faxed a letter to C21-Metro terminating the agreement for management and sale of the properties effective September 17, 1999, and requesting that all information and management duties be turned over to another specified broker.
f. On October 3, 1999, Piwowarski was informed by his new broker that Respondent collected the October rents from many of the tenants.
During the period from July 1, 1999, through October 1999, Respondent collected rents on the

Continued on page 6

Continued from page 5

properties but failed to remit any monies or to provide any accountings or records to Piwowarski.

Respondent failed to provide copies of agreements or contracts to his employing broker, to account for monies he collected, or to remit the monies to his employing broker for deposit into a trust account.

VIOLATIONS: Respondent violated his fiduciary duties to his client, and did not deal fairly with all parties to a transaction, and did not expeditiously perform all acts resulting from an agreement authorized by his holding of a license within the meaning of A.A.C. R4-28-1101(A) and (C), all in violation of A.R.S. § 32-2153(B)(3). As a result of the conduct and actions described above, Respondent failed, within a reasonable period of time, to account for or to remit any monies which belong to others, in violation of A.R.S. § 32-2153(A)(9). Respondent failed or refused upon demand to produce documents, contracts or other information in his possession or that he was required by law to maintain, in violation of A.R.S. § 32-2153(A)(7). Respondent failed to maintain a complete record of each transaction, in violation of A.R.S. § 32-2153(A)(18). Respondent's actions constitute negligence in the performance of his duties, in violation of A.R.S. § 32-2153(A)(22). Respondent's actions constitute violations of Article 3.1, Property Management, A.R.S. § 32-2171, et seq.

DISPOSITION: Respondent's real estate broker's license is revoked. Respondent shall not reapply for an Arizona real estate license for five years or more from the date of entry of this Order.

00A-046
White Hawke at Alta Mesa, L.L.C.
Scottsdale

DATE OF ORDER: April 21, 1000

FINDINGS OF FACT: On April 14, 1999, a Special Order of Exemption was issued to White Hawke, Lots 1 through 126, of Villas of Alta Mesa. On July 29, 1999, an Arizona Subdivision Public Report was issued to White Hawke for the same lots. To satisfy the financial assurance requirements of A.R.S. §§ 32-2181(A)17 and 32-2183(D), White Hawke agreed not to close escrow until all subdivision improvements had been completed.

A site inspection on March 13, 2000, revealed that all subdivision improvements were not completed.

On August 30, 1999, White Hawke closed escrow on Lot 125. On September 10, 1999, White Hawke closed escrow on Lot 124. On or about the time White Hawke applied for an amendment to its public report, it closed escrow on Lot 76.

VIOLATIONS: Respondent sold and closed escrow on lots in violation of A.R.S. § 32-2183(D).

DISPOSITION: Respondent to pay a civil penalty in the amount of $1,000.

00A-028
Susan K. Lee
Scottsdale

DATE OF ORDER: May 2, 2000

FINDINGS OF FACT: In her June 15, 1999 application for a real estate salesperson's license, Respondent failed to disclose a 1987 conviction for possession of marijuana, a class 1 misdemeanor.

VIOLATIONS: Respondent's failure to disclose the conviction constitutes procuring or attempting to procure a license by filing a license application that was false or misleading, within the meaning of A.R.S. § 32-2153(B)(1). Her conduct shows she is not a person of honesty, truthfulness or good character within the meaning of A.R.S. § 32-2153(B)(7).

DISPOSITION: Respondent's real estate salesperson's license is suspended for 10 days to begin on May 8, 2000, or on entry of this Consent Order, whichever last occurs. Respondent to pay a civil penalty in the amount of $500. Respondent to attend nine hours of approved continuing education in addition to hours required for license renewal.

00A-050
In the matter of the real estate Public Report of R.M. Sales Management, L.L.C., aka RM Sales Management L.L.C.
Phoenix

DATE OF ORDER: May 12, 2000

FINDINGS OF FACT: RM Sales Management, L.L.C., (RM Sales) was issued a real estate broker's license in August 1999. On July 30, 1999, a Department of Real Estate Public Report was issued to RML INC., dba Villas Rancho Manana Resort, for two dwelling units divided into 104 time-share intervals at Villas at Rancho Manana Resort.

Since July 30, 1999, Respondent has acted as the broker RML INC. in the sale of time-share intervals. At all times material to this matter, David W. Curtis has been and is the manager of Respondent. Curtis does not hold a real estate license in Arizona.

To satisfy the financial assurance requirements of A.R.S. § 32-2197.01(A)(7), RML INC. agreed to place all earnest monies into a neutral escrow depository until the Town of Cave Creek issued its Occupancy Clearance for each unit. Between July 30, 1999 and December 22, 1999, RML INC. entered into 57 contracts of sale with purchasers wherein the Respondent acted as the broker. RML INC. has been unable to account for sums collected for document preparation.

VIOLATIONS: Respondent was responsible for ensuring that no document preparations fees were collected by it as a licensee, in violation of the Arizona State Constitution Article XXVI, Section 1.

DISPOSITION: Respondent is assessed a civil penalty in the amount of $5,000. The documentation charges, $12,730, are to be returned to the purchasers if they cancel, or to the escrow company that handles the closing (for credit to the buyers) in the event of closing.

00A-050
In the matter of the Public Report of RML, INC. dba Villas Rancho Mana Resort
Phoenix

DATE OF ORDER: May 17, 2000

FINDINGS OF FACT: On July 30, 1999, a Department of Real Estate Public Report was issued RML INC., dba Villas Rancho Manana Resort, for two dwelling units divided into 104 time-share intervals at Villas at Rancho Manana Resort. At all times material to this matter, George R. Ansell was president of RML. Ansell does not hold a real estate license in Arizona.

To satisfy the financial assurance requirements of A.R.S. § 32-2197.01(A)(7), RML agreed to place all earnest monies into a neutral escrow depository until the Town of Cave Creek had issued its Occupancy Clearance for each individual unit.

A site inspection on December 21, 1999, revealed that all project improvements were not completed. The completion date represented by RML was August 20, 1999.

Further investigation revealed that contrary to their representations to the Department, RML failed to deposit earnest monies into a neutral escrow depository.

On December 22, 1999, RML filed an application to amend the public report pursuant to A.R.S. § 32-2197.03 wherein RML agreed to voluntarily suspend sales.

Between July 30, 1999 and December 22, 1999, RML entered into 57 contracts of sale with purchasers.

RML has been unable to account for the purchasers' earnest money deposits or the sums collected for document preparation.

VIOLATIONS: Respondent was responsible to ensure that a valid public report had been issued and maintained for all units/intervals being sold or offered for sale. Respondents sold or offered for sale interval weeks in a time-share project without notifying the Department of changes and obtaining an amended public report from the Commissioner, in violation of A.R.S. § 32-2197.03. Respondents sold or offered for sale interval weeks using a public report containing an untrue statement of material fact in violation of A.R.S. § 32-2197.14(C).

DISPOSITION: Respondent shall offer in writing to all purchasers the right to rescind their purchase and deposit funds in an amount sufficient to refund said deposits and ddocument preparation charges in a neutral escrow depository, without delay. Respondent shall provide, without delay, the following information acceptable to the Department:

a. Confirmation of the deposit;
b. Terms by which the monies will be refunded;
c. Proof that all purchasers were contacted;
d. Results of their decisions and confirmation that monies have been refunded to purchasers who choose to rescind their purchase.

Respondent shall satisfy all necessary requirements to amend its public report. Respondent to pay a civil penalty in the amount of $1,000. The documentation charges ($12,730) are to be returned

to the purchasers if they cancel, or to the escrow company that handles the closing, for credit to the buyers, in the event of closing.

If respondent fails to comply with any of the provisions of this Order, the Department may take any additional disciplinary action deemed appropriate, including suspension or revocation of the public report and may assess additional penalty to the extent permitted by A.R.S. § 32-2197.15.

99A-183
Lynn M. Ewonaitis
Phoenix
DATE OF ORDER: May 15, 2000
FINDINGS OF FACT: In her March 18, 1999 application for a membership camping salesperson's license, Respondent failed to disclose:
a. A 1981 conviction in Clearwater, Fla., for petty theft;
b. A 1982 conviction in Clearwater, Fla., for opposing an officer without violence and resisting arrest;
c. A 1995 conviction in Clearwater, Fla., for DUI;
d. A 1995 conviction for DUI in Pinellas County, Fla.
e. A 1995 conviction in Pinellas County, Fla., for driving on a suspended license.
VIOLATIONS: Respondent's failure to disclose the convictions constitutes procuring or attempting to procure a license by filing a license application that was false or misleading, within the meaning of A.R.S. § 32-2153(B)(1). Respondent violated the terms or a criminal or administrative order, decree or sentence as described in A.R.S. § 32-2153(B)(9).
DISPOSITION: Respondent's membership camping salesperson's license is suspended for six months to begin upon entry of this Order. Respondent to pay a civil penalty in the amount of $250. Respondent shall attend nine hours of approved continuing education classes in the categories of Commissioner's Standards, Agency Law and Contract Law.

00A-034
Delores Harrison
Lake Forest, Calif.
DATE OF ORDER: May 15, 2000
FINDINGS OF FACT: Respondent was issued a real estate salesperson's license in March 1992. That license expired March 31, 1000.

The Department has conducted an investigation regarding and confirming conversion and embezzlement of funds in connection with Respondent's property management in 1999 and 2000. Respondent resolved the matter by means of an agreement to repay the money, and thereafter repaid the money.
VIOLATIONS: Respondent's conversion/embezzlement constitutes a violation within the meaning of A.R.S. § 32-2153(A)(16). Her actions constitute a violation within the meaning of A.R.S. § 32-2153(B)(5), (7) and (10).
DISPOSITION: Respondent's real estate salesperson's license is revoked.

00A-039
Charles E. Reinhart aka Charles E McKenzie
Scottsdale
DATE OF ORDER: May 16, 2000
FINDINGS OF FACT: In his September 1999 application for an original real estate salesperson's license, Respondent failed to disclose a 1986 felony conviction for deceptive practices. Respondent failed to cooperate in the Department's investigation of the charges.
VIOLATIONS: Respondent's failure to cooperate with the Department's investigation within the meaning of A.R.S. § 32-2108(C) constitutes a violation of A.R.S. § 32-2153(A)(3). His failure to disclose the conviction constitutes procuring or attempting to procure a license by filing a license application that was false or misleading, within the meaning of A.R.S. § 32-2153(B)(1). His conduct tends to show he is not a person of honesty, truthfulness or good character within the meaning of A.R.S. § 32-2153(B)(7).
DISPOSITION: Respondent's real estate salesperson's license is revoked upon entry of this Order.

00A-037
Mary R. Roberts
Lake Havasu City
DATE OF ORDER: May 22, 2000
FINDINGS OF FACT: In her May13, 1999 application for an original real estate sales person's license, Respondent failed to disclose a 1995 conviction for DUI in Lake Havasu City Municipal Court.
VIOLATIONS: Her failure to disclose the conviction constitutes procuring or attempting to procure a license by filing an application that was false or misleading within the meaning of A.R.S. § 32-2153(B)(1). Her conduct tends to show she is not a person of honesty, truthfulness or good character within the meaning of A.R.S. § 32-2153(B)(7).
DISPOSITION: Respondent's real estate salesperson's license is suspended for 20 days commencing with the entry of this Order. Respondent to pay a civil penalty in the amount of $500. Respondent to attend six hours of approved continuing education, in addition to hours required for license renewal, in the categories of Commissioner's Standards and Agency Law.

00A-071
In the matter of Sunrise at Parkwood Ranch Investors, L.L.C., and in the matter of the real estate broker's license of Robin (Rob) Lee Olson.
Phoenix and Scottsdale
DATE OF ORDER: May 22, 2000
FINDINGS OF FACT: On March 22, 1999, a Special Order of Exemption was issued to Sunrise at Parkwood Ranch Investors (Sunrise) for lots 1 through 104 of Sunrise at Parkwood Ranch. On August 17, 1999, a Department of Real Estate Public Report was issued to Sunrise for the same lots.

At all times material to this matter, The De Haven Company (De Haven) was the manager of Sunrise. Alan R. Kennedy, President of De Haven, is a licensed real estate broker and is the designated broker for De Haven Realty & Management, Inc. Developers Marketing Services, Inc., conducted sales for Sunrise.
In July 1976, Robin Lee Olson was issued an Arizona real estate broker's license. Olson is currently, and was at all times material to this matter, the designated broker for Developers Marketing Services.

To satisfy the financial assurance requirements of A.R.S. §§ 32-2181(A)(17) and 32-2183(D), Sunrise agreed not to close escrow on any lots within Sunrise until all subdivision improvements were completed, including landscaping and common recreational areas. A site inspection on April 20, 2000, revealed that not all subdivision improvements were completed. The completion date represented by Sunrise was March 30, 2000.

On May 3, 2000, Sunrise filed an application to amend the public report (First Amendment) to extend the completion date for improvements.

Between August 17, 1999 and May 6, 2000, Sunrise closed escrow on 27 lots. In closing escrow on these lots, Sunrise represents to the Department that it misunderstood the scope of the phrase "all subdivision improvements" when it made this representation to the Department. Specifically, Sunrise represents that it did not understand the phrase "to include all improvements identified on the plat."

Parkwood Ranch, L.L.C., the master developer, claims responsibility for the delay in completion of the subdivision improvements and the resulting violations.
VIOLATIONS: Respondents were responsible to ensure that a valid public report had been issued for all lots being sold or offered for sale, and that their representations to that effect were true. Although Respondents have represented to the Department that they were acting under a good-faith misunderstanding, Respondents sold or offered for sale lots in a subdivision without obtaining an amended public report from the Commissioner in violation of A.R.S. § 32-2184, and sold and closed escrow on lots in violation of A.R.S. § 32-2183(D).
DISPOSITION: Respondents are to pay a joint civil penalty in the amount of $1,000.

00A-019
Walter Douglas Koch
Flagstaff
DATE OF ORDER: May 24, 2000
FINDINGS OF FACT: Petitioner submitted an original application for a real estate salesperson's license in which he disclosed prior revocation of a contractor's license on January 19, 2000.
VIOLATIONS: Petitioner has been convicted in an administrative hearing whereby his contractor's license was revoked, within the meaning of A.R.S. § 32-1154(A).
DISPOSITION: Petitioner's application for a real estate license is approved. Prior to activating the license, Petitioner shall post a surety bond in the amount of $20,000.

Continued on page 8

97A-H1939

In the matter of the subdivision law violations of JEITO, Inc.; Cowley Companies, Ltd.; Dixon D. Cowley; SMT investors, Ltd.; Suzette Cowley Tyler; and Timothy Cowley

Phoenix

DATE OF ORDER: May 26, 2000

FINDINGS OF FACT:

1. Cowley Companies, Ltd., is an Arizona corporation, owned by Dixon "Duke" Cowley, his wife, and their children, Suzette Tyler, Timothy Cowley, and Michael Cowley. Its President is Dixon "Duke" Cowley and its offices are located at 3303 S. 40th Street, Phoenix, Arizona.

2. JEITO, Inc. ("JEITO"), is an Arizona corporation located at 3303 S. 40th Street, Phoenix, Arizona. The officers and directors of JEITO include Dixon D. Cowley, Wilford A. Cardon, David N. Neal, Elijah A. Cardon and Hugh H. Cowley.

3. NUVO is an Arizona general partnership. The principal place of business of NUVO is located c/o Gary G. Tenney ("Tenney"), 5405 E. Calle Ventura, Phoenix, Arizona.

4. Arroyo Pacific Investments, Inc. ("Arroyo"), is an Arizona corporation. Arroyo's address is listed as 1819 E. Southern Avenue, B-10, Mesa, Arizona.

5. Dixon D. "Duke" Cowley ("Duke Cowley"), is the president and a director of Cowley Companies, Inc., an Arizona corporation. Duke Cowley is the president of JEITO and a limited partner of SMT Investors, Ltd. ("SMT").

6. Timothy Cowley and Michael Cowley are Duke Cowley's sons.

7. Suzette Cowley Tyler ("Tyler") is Duke Cowley's daughter. Tyler has been licensed as a real estate salesperson in the state of Arizona from February 14, 1995 until February 28, 1997; from January 14, 1998 until February 28, 1999; and from May 12, 1999 to present. Tyler's license expires February 28, 2001.

8. SMT is an Arizona limited partnership. Cowley Companies, Inc., is the general partner and Duke Cowley, Timothy Cowley, Michael Cowley and Tyler are limited partners in SMT.

9. Bonanza Land Company, LLC ("Bonanza"), is an Arizona limited liability company located at 1021 S. Greenfield, Mesa, Arizona. Upon information and belief, at all times material herein Lue Youse served as Bonanza's manager and statutory agent.

10. Mt. Baldy Limited Partnership ("Mt. Baldy"), is an Arizona limited partnership. Part of its business is real estate acquisition and development. At all times material herein, its general partner was Cowley Companies, Inc., an Arizona corporation. Its partners are: Wilford Cardon, Duke Cowley, David Neal, Elijah Cardon, and Craig Cardon.

ACQUISITION OF 200 ACRES

11. During Spring 1995, Duke Cowley acted as an intermediary in the purchase of 200 acres from Bonanza in Pinal County for $2,000 per acre.

12. On or about April 18, 1995, escrow instructions were prepared by an escrow company for the sale of approximately 200 acres known as the NW 1/4 of the NE 1/4 and N 1/2 of the NW 1/4, Section 26, Township 3 South, Range 7 East, G&SRB&M and the N 1/2 of the NE 1/4, Section 27, Township 3 South, Range 7 East, G&SRB&M located in Pinal County, Arizona (the "200 acres") from 4,000 acres owned by Bonanza, to JEITO and/or Nominee. All escrow instructions were sent to Duke Cowley for his review.

13. Escrow instructions were subsequently prepared substituting Bastante as the purchaser of the 200 acres. These escrow instructions were reviewed by Duke Cowley.

14. Bonanza was unwilling to sell any parcel smaller than 160 acres.

15. Bastante (Wood) wanted to purchase only 80 acres.

16. Duke Cowley paid $48,000 to Bastante so that Bastante would purchase the 200-acre parcel with the understanding that SIVIT, Tim Cowley and Suzette Tyler would purchase portions of the 200-acre parcel.

17. On or about June 1, 1995, escrow closed on the transaction. The sale price for the 200 acres was $400,000.00 with a down payment of approximately $80,000. A note and deed of trust in the amount of $320,000.00 was executed by Bastante for the remainder of the purchase price. The Warranty Deed was recorded on or about June 7, 1995. None of the Respondents prepared these documents.

18. Bastante used the $48,000 from Duke Cowley plus additional $32,000 as down payment to purchase the 200 acres. The $48,000 was paid back to Duke Cowley.

19. Between June and September 1995, Duke Cowley located purchasers for portions of the 200 acres, as follows: one 40-acre parcel for Timothy Cowley, one 40-acre parcel for NUVO and a 20- acre parcel for Arroyo and a 20-acre parcel for Tyler, all at the price of $2,000 per acre. Duke Cowley, as the President of Cowley Companies, and on behalf of SMT, verbally agreed to purchase 20 acres for SMT from NUVO at $2,000 per acre before the purchase contract was signed.

V 20. On July 16, 1995, Duke Cowley hired Surv Net, Inc. ("Surv Net") to prepare surveys of the five 40-acre parcels. Duke Cowley instructed Surv Net to stake seventeen lots from the original 200-acre parcel. Surv Net performed other surveys in the area, including surveys for unrelated parties.

21. SMT, Timothy Cowley and Tyler employed Dungan Drilling to drill wells on the parcels sold by SMT, Timothy Cowley and Tyler. Dungan Drilling had a long-term business relationship with Cowley Companies and Duke Cowley.

22. Duke Cowley's office prepared five separate Notices of Intent to Drill for each of the 40-acre parcels of the original 200-acre parcel stating that the applications were for NUVO, Arroyo Pacific, Tim Cowley and Bastante. The Notices of Intent were, in fact, for wells to be drilled on parcels owned by Cowley family members, and on behalf of Cowley family members.

23. Cowley never intended to, and did not, arrange for Dungan to drill wells on parcels owned by NUVO, Arroyo Pacific or Bastante.

NUVO'S 40-ACRE PARCEL

24. On or priorto June 26, 1995, Duke Cowley arranged to have NUVO purchase forty acres from Bastante for $80,000.00 ($2,000 per acre) and for the sale of the northern twenty acres thereof ("the SMT parcel") from NUVO for SMT for $40,000 ($2,000 per acre).

25. Duke Cowley determined which 20 acres SMT would purchase from NUVO.

TYLER'S 20 ACRE PARCEL

26. Duke Cowley arranged to have Bastante sell twenty acres to Arroyo and twenty acres to Tyler ("the Tyler parcel") from the 200 acres. Duke Cowley ordered the preparation of sales contracts and an Affidavit of Property Value. From those documents, it appears that Arroyo Pacific purchased forty acres with a down payment of $16,000 and sold twenty of those forty acres to Tyler. In fact, Arroyo never intended to purchase more than twenty acres and paid only $8,000 down to buy twenty acres. Arroyo never received payment for selling twenty acres to Tyler.

27. Tyler sold three 5-acre parcels to the Hansens, SIVIT and Sargent. Tyler exchanged one lot for a lot from SIVIT, in order to facilitate the sale of 10 contiguous acres to the Keatings.

TIMOTHY COWLEY

28. On or about June 26, 1995, as arranged by Duke Cowley, Bastante sold forty acres to Timothy Cowley for $80,000.00. Timothy Cowley then further divided and sold the parcel as four 5-acre parcels to Hardy, Carillos, Estrada and Witte. Tim Cowley sold the remaining 20 acres to a distant cousin, Lamb.

29. As a result of Respondents' conduct, Pinal County and the State have suffered financial loss and the public faces increased health risks due to dust pollution from unpaved roads, increased flooding risks due to lack of engineering and dedication of drainage easements, and lack of assurance of an adequate water supply. After the sales were made and after an investigation commenced, Respondents took steps to satisfy some of these problems, including efforts to supply water through a public utility.

VIOLATIONS:

1. The Department has jurisdiction over these matters.

2. The division of the 200 acres sold by Bastante resulted in a subdivision of six or more lots within the meaning of A.R.S. §32-2101(54).

3. Respondents created a subdivision within the meaning of A.R.S. §32-2101(54).

4. Bastante, Duke Cowley, SIVIT, Timothy Cowley, and Suzette Cowley Tyler did not obtain a Public Report from the Commissioner prior to offering lots for sale or lease, and failed to disclose and furnish each prospective customer with a copy thereof, in violation of A.R.S. §32-2183.

5. Pursuant to A.R.S. §32-2183(I) the Com-

missioner may prohibit the sale or lease of subdivided lands until he has approved such sales or leases and may issue such order or orders he may deem necessary to protect the public interest and insure compliance with Arizona's subdivision laws.

6. Grounds exist to assess a civil penalty of $1,000.00 against Respondents for each violation of the provisions of A.R.S. Title 32, Chapter 20 pursuant to A.R.S. §32-2185.09.

DISPOSITION:

1. Cowley Companies, Ltd., JEITO, Inc., Duke Cowley, SIVIT, Timothy Cowley, and Tyler are jointly and severally liable for a civil penalty in the amount of $25,000.00. The civil penalty is payable to the Department by cashier's check or money order upon entry of this Consent Order.

2. Cowley Companies, Ltd., JEITO, Inc., Duke Cowley, SIVIT, Timothy Cowley and Tyler shall pay $5,000 to the State General Fund as compensation for costs which may be incurred to ameliorate dust pollution from unpaved roads under A.R.S. § 32-2183(I) to protect the public interest and ensure compliance with the subdivision laws of this state, upon entry of this Order.

3. Cowley Companies, Ltd., JEITO, Inc., Duke Cowley, SIVIT, Timothy Cowley and Tyler are jointly and severally liable to pay the Commissioner's investigative costs in the amount of $7,500, upon entry of this Order.

4. Duke Cowley, SIVIT, Timothy Cowley, and Tyler shall pay $50,000 to Pinal County, as compensation for damages caused by lack of road improvements, within three business days of the entry of this Order.

5. Respondents shall apply for and provide a Certificate of 1 00-Year Assured Water Supply by Arizona Department of Water Resources, or demonstrate service from an authorized water company designated by ADWR as having an assured water supply, within 90 days of the date of entry of this Order.

6. Respondents shall provide proof that they have recorded easements for ingress and egress to each lot that are satisfactory to the Pinal County Manager within 30 days of the date of this Order.

7. Respondents shall either obtain approval of the Department for any further offer or sale of subdivided land or obtain a Public Report before offering any lot or parcel within the 200 acres for sale.

8. Duke Cowley, Timothy Cowley and Suzette Tyler shall each complete three hours of classes on subdivision law approved by the Commissioner within six months of the date of entry of this Order.

9. Cowley Companies, Ltd., JEITO, Inc., Duke Cowley, SIVIT, Timothy Cowley, and Suzette Cowley Tyler, their agents, servants, employees, assignees, successors, and those persons acting in concert or together with them, shall cease and desist from offering for sale or lease or transferring any interest in any part of the 200 acres until they have fully complied with all terms of this Order and the Commissioner issues an Acknowledgment of Compliance with the Order and Release. This portion of the Order does not apply to those persons who purchased property from Respondents prior to MAY 26, 2000, including Lamb, Owens and Keating.

10. Cowley Companies, Ltd., JEITO, Inc., Duke Cowley, SIVIT, Timothy Cowley, and Tyler, their agents, servants, employees, assignees, successors, and those persons acting in concert, or together with them, shall not violate any subdivision law of this state.

11. If any party to this Consent Order fails to comply with any term or deadlines of this Order, the Commissioner may commence additional disciplinary or enforcement proceedings as deemed appropriate by the Commissioner.

00A-038
James Satterfied Jacob
Phoenix

DATE OF ORDER: May 30, 2000

FINDINGS OF FACT: In his July 12, 1999 application for a real estate salesperson's license, Respondent failed to disclose a March 1999 indictment for fraudulent schemes and artfices, a class 2 felony, and theft, a class 3 felony. Respondent pleaded guilty to one county of tampering with a public record, a class 6 undesignated offence, and paid restitution of $10,000.

VIOLATIONS: Respondent was convicted of a felony or the crime of forgery, theft, extortion, conspiracy to defraud, a crime of moral turpitude or other like offense, within the meaning of A.R.S. § 32-2153(B)(2). He is guilty of dishonest dealings as described in A.R.S. § 32-2153(B)(5).

DISPOSITION: Respondent's real estate salesperson's license is revoked.

ADDENDUM TO CONSENT ORDER

H-835
In the matter of the real estate salesperson's license of, and the recovery fund matters of William B. Runyan, III
Phoenix

DATE OF ORDER: APRIL 11, 2000

FINDINGS OF FACT: Respondent and the Department entered into an Order and Agreement which affirmed the Findings of Fact and Conclusions of Law entered by the Commissioner's Order dated August 19, 1986. There being certain of the Order that remain unfulfilled, Respondent requested an addendum modifying the terms of the Order.

Respondent became indebted to Lloyd Griffith and Beverly A. Griffith (Griffith) as a result of a judgment entered on September 14, 1984, in the case of *Lloyd Griffith, et al., vs. William B. Runyan, et al.* in Maricopa County Superior Court.

Pursuant to a court order in Griffith v. Runyan, supra, entered July 2, 1986, the Real Estate Recovery Fund paid $15,000 to plaintiffs Griffith in connection with that judgment and against the license of Respondent.

Respondent agreed to pay plaintiffs Griffith and the Recovery Fund. Respondent has completed all reasonable efforts to comply with the remaining terms of the orders entered herein. He has unsuccessfully attempted to locate plaintiffs Griffith in order to pay any balance owed for their losses, attorneys' fees and costs incurred as set forth in the judgment described above.

In the Order and Agreement entered in this matter on December 9, 1996, Respondent agreed to pay plaintiffs as described and acknowledged that he owed plaintiffs Griffith for the remainder of their judgment against him, which included attorneys' fees, costs and accrued interest.

Plaintiffs Griffith have been paid from the Real Estate Recovery Fund the amount due them based on their judgment against Respondent and the court order referred to in the Finding of Facts above. Respondent made a payment to the Real Estate Recovery Fund on February 15, 2000, which repaid the fund in full, including accrued interest.

Respondent has made no payments to the Department for the benefit of, or to reduce the amount owed to, plaintiffs Griffith, and currently owes the entire amount as agreed to in the 1996 Order described above.

Respondent has consented to pay $6,000 to the Real Estate Recovery Fund arising out of his debt to plaintiffs Griffith.

The Commissioner and Respondent have agreed that plaintiffs Griffith shall be entitled to payment of one additional claim in the amount of $6,000 from the Real Estate Recovery Fund based on the judgment against Respondent in Griffith v. Runyan, supra, and the 1996 Order and Agreement described above.

This Addendum to Consent Order does not affect any other rights plaintiffs Griffith may have against Respondent.

The Commissioner and Runyan have agreed that:

a. Respondent may not oppose any future claim by plaintiffs Griffith against the Recovery Fund concerning the license of Respondent for $6,000;

b. The Commissioner shall not require plaintiffs Griffith to complete any efforts to collect against Runyan and shall not oppose any claim against the Recovery Fund by plaintiffs for $6,000, provided it is made within five years of the date of entry of this Order.

c. If plaintiffs Griffith make no claim to the Fund against Respondent's license within five years of the date of this Order, all their rights to claim money from the Fund based on this Addendum to Consent Order shall cease, and the $6,000 paid by Respondent as described above shall be retained by the Fund and treated as any other contribution by a real estate licensee under A.R.S. § 32-2186.

Payment of $6,000 to the Fund fully settles and compromises all of Respondent's liability to make payments to the Department for the benefit of plaintiffs Griffith, but does not affect any other rights Griffith may have to additional payment from Respondent.

Violate RESPA, lose license

Continued from page 2

reasonable amount of compensation for the mortgage. origination ser,vices you will Actually perform with the list of 14 mortgage origination services that justify compensation pursuant to HUD Statement of Policy 1999-1. The minimum standard to receive fair and reasonable compensation is that you must complete the loan application and perform at least five more services from the list of the remaining 13 services normally performed in the origination of a mortgage loan. So, the items on the list include ordering verifications, preparing the Good Faith Estimate and Truth in Lending Statements, and clearing credit problems. If you are not performing any service, other than taking the loan application, consider the value of only that particular isolated service you performed for the lender. For example, if you spent one hour to complete the loan application, you are entitled only to a fair and reaonable value amount for that service. The, additional amount you receive may be considered a disguised referral fee, subjecting you to a RESPA violation. You can see the risk if you guess wrong about the value of the services rendered. The best advice is to objectively review the, lender fee program and be absolutely sure that your compensation is fairly and reasonably related to your mortgage origination activites and is notmerely compensation for steering a client to the motgage company.

Finally, don't be misled by or rely upon claims in advertising material from mortgage companies that HUD has approved their program. It is currently HUD's policy not to review and, specifically approve individual lender fee programs. Therefore, if you are considering participation in a lender fee program you will need to carefully review the program with respect to RESPA statutes and policies. HUD is taking a fresh look at lender fee programs and perhaps there will be more guidance in the future. Until then, carefully weigh the financial risks of your participation against potential liability and regulatory pitfalls.

Richard Blair is the president of Professional Mortgage Associates, Ltd., an attorney and a former Administrative Law Judge for the Arizona Department of Real Estate. He specializes in residential home loans an may be contacted at 602-494-8991.

New disclosure affidavit required

Continued from page 1

The affidavit requires disclosure of such things as:

- Whether there is legal and physical access to the property;
- Whether roads are publicly or privately maintainted;
- Availability of utility services;
- Water availability;
- Emergency vehicle access.

The Arizona Association of Realtors® has prepared a recordable version of the affidavit and has made it available to the public in Adobe Acrobat format on the Association's Web site at http://www.aaronline.com.

2000 ADRE Law Book to be published in September

The 2000 edition of the *Arizona Real Estate Law Book* will be published in September. The book, which contains statutes and rules which affect real estate professionals, has been revised to reflect all amendments and new legislation enacted during the recent legislative session. Changes to the statutes become effective on July 18.

The book will also contain revisions to the Commissioner's Rules which became effective May 2. The new Rules are now available on the Department's Web site at www.re.state.az.us.

Price and availability information will be published in the *Arizona Real Estate Bulletin* and on the Department's Web site.

Broker Clinics

Continued from page 1

shops, training sessions for instructors who wish to be approved to teach the clinics, will be held in the Phoenix area in Spetmeber. All instructors wishing to teach the course must attend one of the workshops. Real estate schools will be notified of the time and location of the workshops in September.

Clinics offered by the Department in June through August (see page 3) are filled. At this writing, seats are still available in the September and October clinics in Phoenix and Tucson.

Any broker who must attend a Clinic between now and November 1 and who is unable to obtain a seat in a Department Broker Audit Clinic because of lack of space will be given a waiver, but must attend a Broker Management Clinic as soon after November 1 as possible.

ARIZONA
REAL ESTATE BULLETIN
Arizona Department of Real Estate
2910 N. 44th Street, Phoenix AZ 85018