



# OKLAHOMA REAL ESTATE COMMISSION COMMENT

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VOLUME 36

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NO. 2

## Commission Staff Works for the Betterment of All

This past year the Commission staff was tasked to develop long range plans for the agency as well as develop an agency mission statement, vision statement and values and behaviors for themselves and the professionals they regulate. We wish to share with you the staff's work product and our vision.

### Agency Mission

The mission of the Oklahoma Real Estate Commission is to safeguard public interest and provide quality services by assisting and providing resources; encouraging and requiring high standards of knowledge and ethical practices of licensees; investigating and sanctioning licensed activities; and through the prosecution of any unlicensed person who violates the "Oklahoma Real Estate License Code and Rules."

### Agency Vision

To be the best state agency by whom other agencies set their standards.

### Values and Behaviors

#### Customer Service

We will provide courteous customer service in a complete, accurate and timely manner.

#### Teamwork

Success is accomplished through cooperation, effective communication, trust and promotion of new ideas.

Where there is success for one there is success for all. At all times we are sensitive and professional with each other. We respect other's knowledge, skills and abilities, and strive for shared decision-making.

### Quality Image

We expect the licensees to comply with all applicable laws and rules; to exhibit professional behavior to their customers and their peers; to be responsive to customer need; to provide timely service and perform all activities in an ethical manner.

### Diversity

In all transactions we support equal opportunity.

I want to personally thank each employee who had input into this project, particularly Ray Schellenger, Business Manager; Lynetta Roberts, Executive Assistant; Connie Miller, Education Director; Sherry Kuefler, Senior Investigator; Mark VanDenburg, Data Processing Manager; Kathy White, Project Officer; Lisa Hays, Certified Procurement Officer; and Connie King, Education Assistant. Thank you, staff, for a job well done.

Sincerely,

Anne M. Woody  
Executive Director

Commission Office  
is Relocating—  
See page 5.



# United We Stand



**The Oklahoma Real Estate  
Commission Comment**

Official Publication of the  
Oklahoma Real Estate Commission  
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**THE COMMISSION**

Bud Engstrom, Chairman.....Tulsa  
E. R. Andrew, Vice Chairman.....Enid  
Joseph McGraw .....Tulsa  
John Snodgrass .....Okla. City  
Pat Schafer.....Bartlesville  
John Mosley.....Chickasha  
Martin Van Meter.....Durant  
Anne M. Woody, Executive Director.....Staff

Address all communications to the  
Commission Office

"Use your zip code and ours  
when you write to us"

**ACTIONS as of  
November 19, 2001**

**REVOCATIONS—E&R  
FUND PAYOUTS**

**RONALD AKINS #115797 and  
JACKIE AKINS #115799**—  
Lawton. Under Case #ER-00-03,  
payment of \$8,085.00 was made  
from the Education and Recovery  
Fund on November 8, 2000.  
Licenses were also Revoked under  
Case #C-99-27.

**HOWARD TATE #086061**—Tulsa.  
Under Case #ER-99-01 payment of  
\$5,500.00 was made from the Edu-  
cation and Recovery Fund on Febru-  
ary 14, 2001. License was also  
Revoked under Case #C-97-66.

**REVOCATIONS**

**HOUSING SOLUTIONS, Inc.**  
#122735 and **JOANNE RICKARD**  
B #012000—OKC. Effective May 4,  
2001, **LICENSES REVOKED.**  
Commission Ordered Revocations  
on March 28, 2001, under Cases #C-  
2000-02 and C-2000-23. Violations:  
Title 59 O.S. §858-312, Subsections  
6, 8 and 9; and Rules 605:10-13-  
1(h), 605:10-17-2(b), 605:10-17-  
4(9), 605:10-9-5(a) and 605:10-13-  
1(m). Licensees failed to respond to

**CHAIRMAN'S  
CORNER**



*Bud Engstrom  
Chairman*

As Chairman, I want to take this opportunity to reflect on the past year—the Commission has experienced a very exciting and challenging year beginning with the insightful replacement of the retiring Executive Director—and what an excellent job the new Director is doing!

The Commission has made major changes in the Broker Course, with nationally published books now in use, and implementation of a new broker examination on January 2, 2002. This was accomplished through the hard work of the Commission's Education Advisory Committee and the staff. The Provisional Sales Associate license was changed from a three-year license to a one-year license to require more immediate post license training of new licensees.

We, as a nation, have also experienced challenging times this year; we will always remember the tragedies of September 11, 2001. We would never seek such unfortunate occurrences, but great things have resulted from this tragedy: Americans are more united; patriotism has seen a great resurgence, and people everywhere have been reminded that freedom is not free, but is purchased and repurchased by the efforts of brave souls willing to make that sacrifice for the land of the free and the home of the brave. We have come together to support, love, and weep with others and became a more compassionate nation. We cry out for justice for the victims of the tragedies of September 11th, but we pray for the safety of innocent citizens of countries in harm's way as the sword of justice separates the guilty, and the term "In God We Trust" echoes within us.

I pray you will have a blessed Christmas and Holiday Season, and you will take time to reflect on the blessings that almighty God has bestowed upon you.

complaints; failed to disclose information within their knowledge and to produce documents to the Commission; failed to return security deposits and failed to provide an accounting to the complainant, failed to file a change of address with the Commission and failed to follow the guidelines for cessation of real estate activities.

Effective September 28, 2001, Respondents found Guilty of **REVO-  
CABLE OFFENSES** under Cases #C-  
2000-55, #C-2000-60, and #C-2000-  
65. Commission found violations of  
Title 59 O.S. §858-312, Subsections  
6, 7, 8 and 9; and Rules 605:10-13-

1(h), 605:10-17-4(9) and (12), and  
605:10-9-5(a). Respondents failed to  
account for or remit monies coming  
into their possession which belonged  
to others; failed to return telephone  
calls to property owners for whom  
property was being managed; failed  
to respond to a complaint or produce  
documents for inspection by the  
Commission; failed to file a change  
of address with the Commission; and  
failed to follow guidelines for cessa-  
tion of real estate activities.

**WILMA L. VINCENT**—(Inac-  
tive) SA #027154—Tulsa. License  
**REVOKED** effective November 19,

*Continued on page 6*

## From the Executive Director

# Predatory Lending Practices—Steer Clear

I was recently invited to attend a Predatory Lending Task Force committee that consisted of individuals from HUD, FDIC, Fannie Mae, Consumer Credit and other interested organizations. All organizations expressed concerns over the tactics used by individuals who abuse a system that was designed for the good of the country. A system that allows each of us to pay a debt based on utilizing good faith documentation and a pledge to repay; and thereby relying on the fact that we, in turn, will not be taken advantage of.

The federal government has been struggling with and will continue to monitor this issue. It is this type of situation that arises that makes life more difficult for you and me. In order to eliminate predatory lending practices, the government would have to implement more stringent requirements for lenders and consumers and the paperwork and process is already mind-boggling and time consuming. It is unfortunate that consumers willing to comply have to be subjected to additional regulations in order to discourage abusers who will just find other intuitive ways around the system.

What I can encourage you to do is to steer clear of these practices. If it sounds strange or it sounds too good to be true, then it probably is. It appears that the abusers are taking advantage of situations involving the elderly and purchaser's desiring money for closing or use thereafter.

I have listed a few things that should raise a red flag:

- Lender suggests that the seller carry a second, then forgive it after closing.
- Lender suggests that you, the licensee prepare false receipts in order for buyer or seller to receive funds or credit at closing.
- Lender suggests that a person prepare a false gift letter in order for buyer to proceed with transaction.
- Lender persuades borrower to obtain funds with high interest or penalties while knowing full well that borrower will not be able to re-pay.
- Lender loans on an escalated appraisal of property.

If you encounter a questionable mortgage lending transaction, please contact the Commission and we will forward it to HUD, Consumer Credit and the Attorney General's Office Consumer Protection Division.

Further, you may wish to visit our web site at [www.orec.state.ok.us](http://www.orec.state.ok.us) and under the 4th Door, Publications, Predatory Lending, you will find the web site for the Fannie Mae Foundation. If you click on the highlighted "Predatory Lending—Home Buying Guide" it will take you to the home buying guides which are designed to educate consumers about proper mortgage lending practices. You may direct your consumers to the guide entitled "Borrowing Basics, What You Don't Know Can Hurt You." If you have further questions, please contact this office.

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## Additions to Web Site

Recently, the Commission added some interesting material to the web site which can be found under the 4th Door, Publications. Licensees can utilize these material as a resource as well as provide the consumer resource information. Items included are Cleaning Up Meth Labs; Mold Resources; Hazardous Waste Information; and the Financial Services Modernization Act (Gramm-Leach-Bliley Act of 1999.) If you click on the title of the information, you will go straight to that resource information. Our web site can be found at [www.orec.state.ok.us](http://www.orec.state.ok.us).



## Important Notice to Licensees

In the event you are notified that a complaint has been filed against you, you are reminded that you are required to adequately respond to the Commission regarding circumstances of the alleged allegations. If you do not respond to the complaint, you are in violation of Rule 605:10-17-4. Prohibited dealings, paragraph (9) which requires licensees to respond to a complaint and disclose any information within the licensee's knowledge.

Each individually named licensee should prepare a response to the complaint even if the licensee had a minor role in the transaction. Sponsoring brokers should insure that all licensees respond to a filed complaint as well as filing a response themselves.

# ARELLO INTERNATIONAL CONFERENCE

The Commission recently participated in the Annual Conference of the Association of Real Estate License Law Officials (ARELLO) in October in Memphis, Tennessee. Real estate regulators from all across North America, Africa, Australia and the Pacific Islands gathered to develop solutions for challenges and to discuss issues common across jurisdictional boundaries. Real estate practice on the internet, license recognition across borders, consumer protection, agency law terminology, distance education approval, recent court cases, ethical issues, fair housing, international regulation and technological applications to real estate regulation were a few of the issues addressed at the conference. Industry futurist Charles Dahlheimer, consultant Julie Garton-Good, educator Robert Collins and association leaders Martin Edwards and Walt Baczkowski addressed the sessions.

ARELLO serves organizations internationally which regulate the practice of more than 2 million real estate licensees.

## Commissioner John Snodgrass Elected As District Vice President For The ARELLO Central District

At the annual conference in October, Commissioner John Snodgrass was elected as District Vice President for the Central District of ARELLO. Other districts include the Eastern, Southern and Western. Jurisdictions included in the Central District are: Colorado, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, Wisconsin. Congratulations, John.

## Incentive Marketing Task Force

On September 13, 2000, the Commission implemented the Incentive Marketing Task Force to research whether or not incentives should be offered to purchasers of real estate. As you know, an incentive can be given to a seller of real estate; however, in Oklahoma an incentive can not be given to a purchaser of real estate. Oklahoma is one of twelve jurisdictions who do not allow a rebate or incentive to be shared with the purchaser.

The task force consists of the following industry members: Martin VanMeter, Commissioner and Chairman; E. R. Andrew, Commissioner from Enid; Pat Schafer, Commissioner from Bartlesville; Terry Gartside, Tulsa; Margaret Barton, Ada; Bob Linn, Oklahoma City; John Jones, Lawton; Mike Jones, Oklahoma City; Anne Woody, Commission Director; and Lisa Yates, Governmental Affairs Officer for Oklahoma Association of Realtors, ex officio.

At the first meeting a debate occurred regarding the pros and cons of incentives to the consumer. The task force desired the input of the industry so a survey was distributed to all managing brokers. The results of the survey are still arriving.

The results will be provided to the task force for review and consideration. A report will follow in the next Commission Comment. Thank you to those who answered the survey.

## Commission Begins Formation of Contract Committee

Last year the Commission was successful in obtaining authority to create a contract committee that will develop a residential contract and related addenda for voluntary use by licensees. The forms must be promulgated by rule in accordance with the Administrative Procedures Act; therefore, the process will be slow and tedious.

The Commission has made its appointments to the contract committee as follows: John Mosley, Broker member of Chickasha; Martin Van Meter, Broker member of Durant; and John Snodgrass, Public member of Oklahoma City.

The committee will consist of eleven members: 3 Commission appointed members; 3 members appointed by the Oklahoma Bar Association; and 5 members appointed by the Oklahoma Association of Realtors.

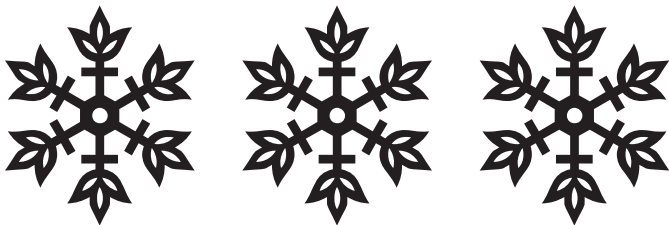
The Commission will keep you posted on the committee's progress.

## Water Rights in Oklahoma

If a licensee or a consumer has questions regarding water rights in Oklahoma, the licensee or the consumer should seek legal advice. The licensee should use caution when answering questions regarding water rights because the purchaser may rely upon the licensee's information. Advise the consumer to seek legal advice. Water rights are handled differently for domestic and non-domestic use.

A permit from the Oklahoma Water Resources Board, pursuant to the Oklahoma Groundwater Law, Title 82, O. S. Section 1020.1 et seq., is required in order to use groundwater for non-domestic use.

The licensee or consumer can contact the Water Resource Board at (405) 530-8800.



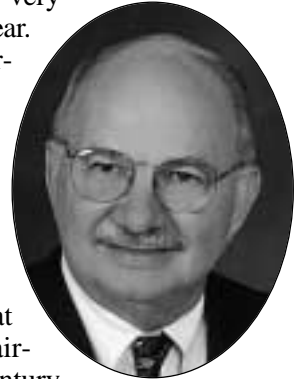
# Senate Confirms Governor's Appointments to the Commission and Commission Elects Officers for the Year



*Bud Engstrom*

Governor Keating reappointed Bud Engstrom, school member from Tulsa for another three year term. Mr. Engstrom is currently manager of Coldwell Banker RaderGroup Realtors in Tulsa and Director of the Tulsa Real Estate Academy. He also serves as a member on the Commission's Education Advisory Committee which has been very instrumental in implementing significant educational projects this past year. Mr. Engstrom was elected by fellow Commissioners to serve as Chairman of the Commission through June, 2002.

Elected as Vice Chairman was E. R. Andrew, broker member from Enid. Mr. Andrew broker/owner and founder of Andrew Real Estate, established his business in 1967. Mr. Andrew serves on the Commission's Education Advisory Committee and the Incentive Marketing Task Force.



*E. R. Andrew*

Governor Keating appointed a new member to replace Charles Harris of Oklahoma City whose term expired on June 30, 2001. Ms. Pat Schafer, broker member from Bartlesville was sworn in by then Chairman Martin VanMeter of Durant. Ms. Schafer is broker/owner of Century 21 of Bartlesville and has held a real estate license since 1979. She served as President of the Bartlesville Association of Realtors in 2000 and was District IV Vice President for the Oklahoma Association of Realtors in 1999. Ms. Schafer serves on the Commission's Education Advisory Committee and the Incentive Marketing Task Force which was formed this year to delve into the subject of whether or not to change the law to allow incentives to purchaser's of real estate.



*Pat Schafer*

Congratulations gentlemen and Ms. Schafer.



## The Commission Office is Relocating

The Commission will be relocating their office in the near future. The anticipated time frame is late February or early March. During the move business will be halted temporarily. We are advising you of this as a courtesy so as to eliminate any inconvenience on your part. Hopefully all will go as planned; however, things happen. Please check our web site in the near future at [www.orec.state.ok.us](http://www.orec.state.ok.us) for the actual moving date and location. We thank you in advance for your patience.

## **IMPORTANT**

### **Record of Continuing Education Hours**

**NOTE: If you are a Provisional Sales Associate**, the CE requirement does not apply to you, because you are required to complete a Commission approved 45 clock hour post-licensing course prior to the expiration date of your license.

The continuing education requirement for renewal is 9 clock hours of required subject matter and 12 clock hours of elective subject matter. **The address label above contains information regarding the number of hours we have recorded for you in each category—\*“R” denotes required hours and \*“E” denotes elective hours. The center date reflects the expiration date of your current license term.**

If your license is on an **inactive status**, it is possible that these hours may only be applied toward activation of your license.

\* This label only reflects hours which were posted to your record prior to the label being extracted, which occurred approximately 30 days prior to the current date.

### **Revocations** *Continued from page 2*

2001. On September 28, 2001, under Case #C-2000-78 Vincent was found in violation of Title 59 O.S. §858-312, Subsections 8 and 9; and Rules 605:10-17-2(b) and 605:10-11-1(a). Vincent acted as a sales associate and performed licensable services while her license was on inactive status; she failed to respond to the complaint filed with the Commission; and she attempted to act as a sales associate on her own and in her own name without a supervising broker.

**HILBRON (TOM) BRAGG**—SA #119596—OKC. REVOKED effective July 24, 2001. On June 18, 2001, under Case #C-2000-51 Commission found Bragg in violation of Title 59 O.S. §858-312, Subsections 8, 9 and 17; and Rule 605:10-11-1(a). Respondent carried out actions that violated portions of the U.S. Fair Housing Act, 42 U.S.C. Sec. 3601 et seq.

**DAVID L. AUSTIN**—SA #042529—OKC. License REVOKED effective February 12, 2001. Ordered by the Department of Human Services for delinquent child support. DHS #210415001 (OAH #96-064393-55).

**RUTHENE G. KELLEY**—B #120693—Lawton. REVOKED effective October 13, 2000. Under Cases #C-99-56, #C-99-65, and #C-99-40 on September 13, 2000, Commission found Kelley in violation of Title 59 O.S. §858-312, Subsections 6, 8 and 9; and Rules 605:10-13-1(a), 605:10-13-1(g), 605:10-17-4(9), and 605:10-13-1(m). Failure to account for or remit monies coming into her possession which belonged to others; failure to produce documents or records in her possession which were real estate related for inspection to the Commission and failure to notify the Commission of cessation of her real estate activities. Also REVOKED under Case #C-2001-19 effective February 14, 2001.

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