

District of Columbia
 Department of Consumer
 And Regulatory Affairs
 Business and Professional
 Licensing Administration
 941 North Capital Street, NE
 Washington, DC 20002

Adrian M. Fenty, Mayor
 Linda K. Argo, Director

THE COMMENTATOR

D.C. Board of Real Estate

WINTER 2008 EDITION

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Chair's Corner *by Constance W. Maffin, GRI*



2008 has been an exciting year in spite of the many economic hardships most of us have experienced.

The Board has continued to protect the public's interest by enforcing real estate laws and regulations governing real estate brokers, salespersons and property managers in the District of Columbia. The downturn in the nation's economy has influenced the number of practicing real estate professionals, however, the Board continues to approve new licensees.

On April 25, 2008, the Board published final rulemaking amending the real estate licensing rules to require advertisements by real estate brokers and real estate salespersons to include the telephone number of the affiliated brokerage or company. This places a greater accountability upon the brokerage and its agents in responding to telephone calls from the public and other licensees.

The Board has continued throughout this year to fund a variety of educational programs from the Real Estate Guaranty and Education Fund. Of particular significance is the offering of a three hour continuing education course on historic preservation for 200+ licensees and the public. This course was co-sponsored

along with the DC Preservation League. The course focused on DC historic districts and provided an update on disclosure regulations for historic properties.

The Board's 2008 Spring newsletter was sent to over 12, 000 licensees, civic organizations, and to all jurisdictional members of the Association of Real Estate License Law Officials. The newsletter contained important regulatory issues and legal actions. The Board reviewed over 70 complaints with one license being revoked. The Board continues to enforce legislation regarding former licensees who did not renew their real estate licenses, but continue to practice real estate. Last year, fines of over \$14,000 were imposed on individuals who did not renew, but continued to practice without a license.

The Board would like to express appreciation for our staff. They have continued their exceptional work and generated record production in many areas despite staff shortages. We note exceptional performances by Leon Lewis, program liaison, Staci Mason, the former educational liaison, Karen Todd, Legal Counsel, Stephanie Johnston, Board assistant and Wilfred Usher, Board investigator.

STAFF

Joseph Schilling, *Administrator*

Clifford Cooks, *Program Manager*

Patsy Lockett, *Branch Chief*

Leon W. Lewis, *Program Liaison/
 Contributing Editor*

Staci Mason, *Program Analyst*

Howard Hope, *Editor, / Education Liaison*

Stephanie Johnston, *Board Assistant*

Karen A. Todd, Esq., *Legal Counsel*

Wilfred Usher, *Chief Investigator*

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Continuing Education Reminders: Brokers, Property Managers and Salespersons

All DC real estate licensees are required to complete 15 CE clock hours for the 2007—2009 licensing cycle. All courses must be approved by the DC Board of Real Estate. Licensees may visit our website, www.dkra.dc.gov, select Professional Licensing, Real Estate and then navigating through the links to review their CE transcripts and check the on-line list of approved CE courses. Courses taught in other states, such as Virginia and Maryland, must have prior DC Board approval. Licensees may verify course approval status via the education provider directly or by contacting the DC Board at 202.442.4340.



**15-Hour CE Requirement
2007—2009**

COURSE INFORMATION:

3.0-hrs	Fair Housing
3.0-hrs.	DC Legislative Update
3.0-hrs.	Ethics
6.0-hrs.	General Electives

EXPIRATION DATES:

Brokers	February 28, 2009
Salespersons	August 31, 2009

You may contact the Board's Education Liaison, Howard Hope, at howard.hope@dc.gov for more information on approved education providers.

Board-sponsored CE Classes: Thursday January 29 & Friday January 30, 2009

Winter 2009 Continuing Education Classes

KELLOGG CONFERENCE HOTEL

GALLAUDET UNIVERSITY

800 Florida Avenue, NE

Washington, DC 20002

Sign-in begins @ 8:00am, 11:00am & 2:00pm
Classes begin promptly @ 9:00am, 12:00pm & 3:00pm

This license renewal CE training is only available to currently licensed real estate agents (brokers/property managers/salespersons). Licensees must bring a photo ID and their DC pocket card for entry. **NO EXCEPTIONS!** There is a security check process as you enter the campus so please add at least 15 minutes to your commute. Classes will start punctually with a 10 minute grace period.

SESSION SCHEDULE

Thursday, January 29, 2009

9:00am—12:00pm	SESSION I	Fair Housing	3.0hrs
12:00pm—3:00pm	SESSION II	DC Legislative Update	3.0hrs
3:00pm—6:00pm	SESSION III	Ethics	3.0hrs

Friday, January 30, 2009

9:00am—12:00pm	SESSION I	DC Legislative Update	3.0hrs
12:00pm—3:00 pm	SESSION II	Ethics	3.0hrs
3:00pm—6:00 pm	SESSION III	Fair Housing	3.0hrs

DCRA'S Professional Licensing Division to go paperless with New Web-Based System: PULSE

The Department of Consumer and Regulatory Affairs (DCRA) is anticipating making DC greener. OPLD, the Occupational and Professional Licensing Division, is proud to announce the implementation of a new web-based, multi-board licensing and certification management system, PULSE. This system is a substantial improvement to the existing business processes designed to reduce paper, improve resource utilization and remove redundant business practices.

While PULSE will save tons of paper annually, it will also streamline the licensing process, provide easier access to online resources and will eliminate many redundant business practices. "We are excited to offer this new online service to professionals in the District of Columbia," said DCRA Director Linda K. Argo. The ability to conduct business from your desk or home is also a huge benefit, Argo expressed. Washingtonians understand that reducing paper at District agencies not only helps save the environment, it also saves taxpayer dollars.

Working through 18 regulatory boards, OPLD reviews and processes applications, administers examinations, issues licenses, responds to certification requests by other jurisdictions, and maintains the District's official licensure records. Pearson VUE is responsible for issuing new licenses and processing renewals on behalf of DCRA.

OPLD has worked very closely with Pearson VUE to implement the PULSE system. PULSE provides complete beginning-to-end processing that streamlines DCRA's examination, application, licensing, renewal, continuing education, enforcement, and compliance operations.

Robert Whelan, president of Pearson VUE, said, "As the leader in computer-based testing, Pearson VUE's license management system is a natural progression of the vision for technology, efficiency, and sustainability for our products and services. We are pleased the Occupational and Professional Licensing Division has chosen PULSE to enhance its licensure process while reducing paper-waste at the same time."

Approved educational providers will have an opportunity to view the PULSE program and the many benefits it will provide for real estate professionals. The Industry Training Day will be held Wednesday, January 14, 2009, at the Kellogg Conference Hotel located at Gallaudet University. This program will offer a full presentation of the PULSE program for all who attend. Please refer to the information box below for specifics of the Industry Training Day. For more information you may contact the Education Liaison Specialist at Howard.Hope@dc.gov or at 202.442.4464.

Education Providers "Industry Training Day"

Wednesday, January 14, 2009

9:00 a.m. to 12:00 p.m.

Kellogg Conference Hotel

at Gallaudet University

800 Florida Avenue, NE

Washington, DC 20002

ADVERTISING REQUIREMENTS

Many licensees pursue a varied selection of advertising strategies. The District of Columbia Municipal Regulations (DCMR) Title 17 for Business, Occupations and Professions have specific requirements. Licensees should review the following advertising requirements from Chapter 26 Real Estate Licenses and Amendments under Section 2615:

2615.1 Advertising real property in any communications medium, by persons licensed under this chapter, is subject to the disclosure, agency, and duty requirements of this chapter, the Act, the District of Columbia Real Estate Licensure Act of 1982, effective March 10, 1983 (D.C. Law 4-209; D.C. Official Code § 42-1701 et seq.), as amended, and any other applicable District of federal law, rule, or regulation.

2615.2 Institutional advertising may not contain false or misleading information.

2615.3 All advertising shall be under the direct supervision of the principal broker or supervising broker and shall be in the name of the firm. The firm's licensed name shall be displayed clearly and legibly on all advertising.

2615.4 Individual licensees shall not use a nickname in any advertising medium.

2615.5 Online advertising, including e-mail, web pages, message board postings, instant messages, chat, or any other method of communication that may be transmitted over any computer network, is subject to the requirements of this chapter, 17 DCMR Chapter 27, the Act and the District of Columbia Real Estate Licensure Act of 1982, effective March 10, 1983 (D.C. Law 4-209; D.C. Official Code § 42-1701 et sequ.), as amended.

2615.6 Online advertising undertaken for the purpose of any licensed activity that can be viewed or experienced as a separate unit such as e-mail messages or web pages shall contain a on-line disclosure as follows:

- (a) If a firm or licensee owns a web page or controls its content, the viewable page shall include an on-line disclosure or a link to an on-line disclosure;
- (b) E-mail, newsgroups, discussion lists, and bulletin boards shall include an on-line disclosure at the beginning or end of each message. The provisions of this subsection do not apply to correspondence with persons with whom the licensee has already established a brokerage relationship and which are made in the ordinary course of business;
- (c) On-line disclosure is not necessary in an instant message, IRC, or ICQ format if the firm or licensee has provided the on-line disclosure via another format prior to providing, or offering to provide, services licensed under this chapter;
- (d) On-line disclosure is required prior to providing, or offering to provide, licensable services during a chat session. On-line disclosure may appear in the text visible on the same webpage that contains the chat session if the licensee controls the website hosting the chat session;
- (e) On-line disclosure is required prior to advertising in Voice Over Net (VON) format or the disclosure text shall be visible on the same webpage that contains the VON session;
- (f) Banner, Pop-up, and Pop-under ads, or any variation thereof, shall include a link to an on-line disclosure unless the banner or pop-up ad contains the on-line disclosure; and
- (g) Licensees shall not use unsolicited commercial e-mail (Spam) to promote licensed activity. Licensees are responsible for the actions of third parties that provide commercial e-mail advertising and marketing services for the benefit of the licensee.

Is Your Real Estate Company in Good Standing?

All real estate companies (corporation/LLC/partnership) conducting business in the District of Columbia must be on record and in good standing in the Corporations Division. This means:

1. Your company is either incorporated or registered in the District of Columbia (a domestic corporation); OR
2. Your company was incorporated or registered in another state and is authorized or registered to conduct business in the District of Columbia (a foreign corporation); AND
3. Your company, whether domestic or foreign, must file a two-year report with the Corporations Division by April 15th, beginning with the first year after incorporation or registration. The two-year report is a one page form which is mailed to the registered agent of each company at least 30 days prior to the April 15th filing deadline. Each year, the Board encounters real estate companies which are not in compliance with the aforementioned rules.

The most common violations include:

1. A foreign company is conducting business (listing property and hiring D.C. licensees) without authority or registration to operate in the District of Columbia;
2. A company has not filed the required two-year report or completes the report form incorrectly;
3. A company fails to maintain a registered agent and registered office;

For assistance with the two-year report forms or questions regard the status of your corporation, please contact:

[Corporations Division](#)

[Business and Professional Licensing Administration](#)

[Department of Consumer and Regulatory Affairs](#)

[941 North Capitol Street, NE, Room 1100](#)

[Washington, DC 20002](#)

[202-442-4432 \(Monday—Friday 9 am to 3 pm\)](#)

www.dkra.dc.gov

Fannie Mae Announces Single National Down Payment Policy

Washington, DC—Fannie Mae

(FNM/NYSE) announced a policy on down payment requirements for conventional, conforming mortgages the company will purchase or guarantee. Starting June 1, 2008 Fannie Mae will accept up to 97 percent loan-to-value ratios for loans underwritten outside of the automated underwriting system Desktop Underwriter (DU), in all geographic locations in the United States.

The new national down payment policy will supersede the policy the company adopted in December, 2007 that required higher down payments in markets where home prices are declining. For more information please visit the Fannie Mae website at www.fanniemae.com/newsreleases/2008/4370jhtml.

Code of D.C. Municipal Regulations CDCR 17-2609

It has come to the attention of the Board of Real Estate (Board) that some advertisements are not in compliance with the District of Columbia Municipal Regulations. Accordingly, as a real estate licensee, you must add the telephone number of the managing broker on all advertisements.

The Board is aware that some licensees may not be familiar with the new changes in our regulations. Therefore, we are encouraging each of you to review **Title 17 DCMR, Chapter 26 sections 2609.4, 2609.5 and 2609.6** code of ethics for real estate brokers, real estate salespersons, and property managers at www.dkra.dc.gov.

Fraud Alert information

Recently, the U.S. Department of the Treasury, Office of the Inspector General, issued a "Fraud Alert" regarding the use of fraudulent promissory notes and bonds to attempt to purchase both real and personal property. The Department of Treasury published the following alert:

"The Department of Treasury, Office of Inspector General (OIG) is investigating incidences whereby individuals are using fraudulent promissory notes and bonds to attempt to purchase vehicles and real estate. The OIG has been notified of numerous occurrences throughout the United States where fraudulent documents were used to attempt to purchase vehicles. Treasury/OIG has also been made aware of incidents in Arizona and Colorado where similar fraudulent documents were used to attempt to purchase homes and an office building."

The fraudulent documents are not referenced as "U.S. Treasury" bonds or promissory notes. They are referenced as "personal promissory note" and "private offset bond"; however, they have the name of Henry Paulson, Secretary, U.S. Treasury on the face of the documents.

Treasury OIG has learned that the only type of hardcopy bond issued by the U.S. Treasury that a citizen can purchase today is a savings bond. All other bonds are electronic and the buyer would not receive a hardcopy document. Finally, Paulson's name should not appear on any document listed as a private bond or promissory note since these items are not backed or guaranteed by the U.S. Treasury.

If you have any information regarding this type of fraudulent activity, we request that you contact the Department of Treasury, Office of Inspector General (OIG), Office of Investigations Hotline at 1-800-359-3898 or email Hotline@oig.treas.gov. Realtors approached by a person giving these or similar circumstances should consider the potential for fraud. Should you suspect fraudulent activity, it is recommended that you contact the OIG Hotline and your local law enforcement agency immediately. Additional information can be found at www.treasurydirect.gov/instit/statreg/fraud. *{reprinted with permission from the Association of Real Estate License Law Officials (ARELLO)}*

Disclosure of Agency

Licenses are required to reveal for whom they provide client-based services. Understanding the scope of the service a party can expect from the agent allows a customer to make a knowledgeable decision in seeking proper representation. Most jurisdictions have mandatory agency disclosure laws and to whom disclosures must be made.

The reason for the laws is to stipulate when, how and to who disclosures must be made. As required by law, licensees should explain to both buyers and sellers what agency alternatives exist, how client and customer services differ, and how the services affect the interests of each party. Refer to the District of Columbia Municipal Regulations of Title 17 for Business, Occupations and Professions through Chapter 26 Real Estate licenses and Amendments which states the following in Section 2613 of Agency Disclosure:

2613.1 Upon having a substantive discussion about a specific property or properties with an actual or prospective buyer or seller or an actual or prospective landlord or tenant who is not the client of the licensee, a licensee shall disclose any broker relationship the licensee has with another party to the transaction on a written notice, substantially in the form approved by the Board, which clearly discloses the relationship of the broker or salesperson with the parties to the transaction.

2613.2 The notice required by § 2613.1 of this section shall be made in writing at the earliest practicable time and in a form substantially in the form approved by the Board, but not later than the time when specific real estate assistance is first provided, excluding a non-substantive discussion held during an open house. In instances where the parties to the transaction are an actual or prospective landlord or tenant the disclosure shall be included in all applications for a lease or in the lease itself, whichever occurs first.

New Addition to the Board

Howard Hope, M.Ed., is our newest member to the Occupational and Professional Licensing Division and Regulatory Boards. Recently, Howard re-located from Atlanta, Georgia where he practiced as a real estate salesperson with Century 21 Dwellings and General Properties and Management Realty.

Mr. Hope holds a Master of Education from Virginia Commonwealth University in Richmond, Virginia. He has earned the Bachelor of Science from Old Dominion University in Norfolk, Virginia. We welcome our new addition and look forward to interacting with him.

Legal Actions

Humberto Gonzalez: Respondent violated D.C. Official Code Section 47-2853.197(27) by failing to advise the Board in writing within 15 days of the entry of a judgment in a civil proceeding by a court of competent jurisdiction. The respondent was fined \$2,500.

Civil Infractions

Lustine Realty Co., Inc.: Respondent entered into a Settlement Agreement with the Department of Consumer and Regulatory Affairs originating from the allegation of practicing real estate brokerage without a license. Respondent had been issued several Notices of Infraction. The respondent denied liability for the notices issued. Respondent paid a fine of \$14,000.

2009 Board Meetings

Tuesday, January 13, 2009

Tuesday, February 10, 2009

Tuesday, March 10, 2009

Tuesday, April 14, 2009

Tuesday, May 12, 2009

Tuesday, June 9, 2009

Tuesday, July 14, 2009

August— Board Recess

Tuesday, September 8, 2009

Tuesday, October 13, 2009

Tuesday, November 10, 2009

Tuesday, December 8, 2009

Dates subject to change. Please email howard.hope@dc.gov or call 202-442-4464 to seek any clarification.

2009 Conference Calendar

◆ ARELLO Midyear Meeting

April 27-29, 2009 Asheville, North Carolina

◆ REEA Conference

June 13-19, 2009 Portland, Oregon

◆ NAREB Annual Conference

July 28– August 2, 2009 Montego Bay, Jamaica

◆ ARELLO Annual Conference

October 22-25, 2009 Miami, Florida

◆ NAR Annual Convention

November 11-16, 2009 San Diego, California

Active Licensee Counts

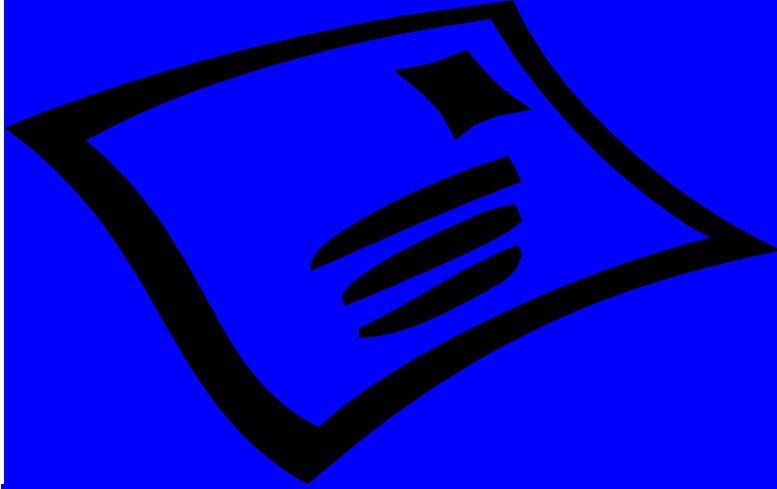
(As of December 17, 2008)

Brokers	2,597	Salespersons	8,689
Brokerage Firms	616	Property Managers	287

The District of Columbia Board of Real Estate regulates the licensure of real estate brokers, property managers, and salespersons. The Board office is located within the Department of Consumer and Regulatory Affairs, 941 North Capitol Street, NE, 7th Floor, Washington, DC 20002. (202) 442-4320.

This newsletter and licensee training are funded by licensees through payments made to the D.C. Real Estate Guaranty and Education fund.

DISTRICT OF COLUMBIA BOARD OF REAL ESTATE



The Commentator

Phone: 202.442.4320

Fax: 202.698.4329

www.dkra.dc.gov



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Washington, DC 20002