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District of Columbia Real Estate Commission 1100 4th St SW Washington, DC 20024

Chairman's Corner by Alton "Tony" Duncanson

In some real estate quarters, a licensee is responsible for what he or she knows or should have known. Do you know what you should know effective January 1, 2012 regarding the Regional Sales Contract?

There are significant changes in the new version of the Regional Sales Contract, as well as revisions to related forms like the Jurisdictional Addendum among others. The principal changes are too numerous to all be captured here. I urge you to take advantage of training being offered by one of the many DCREC approved providers offering Contract courses the industry and/or to consult your broker help to come up to speed on the new contract.

So what's changed? For starters, the length of the Contract has been reduced to 8 pages from 10. This reduction is due primarily to removing CONVENTIONAL FINANCING TERMS, some DEFAULT language, and most of the ADDITIONS paragraph from the Contract itself. Some of this language has been moved into the Jurisdictional Addendum, and some to a new Conventional Financing Addendum. This allows licensees to include only the additional language that is necessary as addenda.

The attention-grabbing change has been to

PROPERTY MAINTENANCE AND CONDITION (Paragraph #7). The name of this paragraph has been changed, but more importantly, there are major changes in the content of this paragraph that significantly affect the obligations and expectations of the parties.

The principal change is that the property is to be conveyed in "As -Is" condition, with optional inspection contingencies available. The Seller is no longer required to provide any warranty as to the condition of equipment, appliances, or major systems by default. Purchasers are encouraged to include a home inspection contingency in order to assess the property condition and to negotiate items to be repaired. But if the Purchaser declines the opportunity for inspection(s), the Seller's obligation is simply to deliver the property in substantially the same condition as of the date specified in the opening sentence of this paragraph.

The limited Seller warranties previously contained in Paragraph 7 often led to disagreements and fostered misunderstandings between the parties. The most common problems encountered were related to:

- 1) Various interpretations as to which clause governed contractual repairs.
2) Debatable meaning of the

term "normal working order;" and
3) Two separate sets of requirements for repairs made under the Home Inspection removal process, and repairs made under the Seller warranty (Paragraph 7).

Another notable change is to the JURISDICTIONAL ADDENDUM (Paragraph #2): This paragraph is in place of the 'ADDITIONS' paragraph (old #32). The placement of the paragraph was moved up-front to clearly indicate which Jurisdictional Addendum is included in the contract.

My thanks to Alan Simon, NVAR Standard Forms Committee Chair and GCAAR, whose summary was my reference here.

Your resource should be in a classroom or sales meeting.



Alton Duncanson, Chairman

CONTENTS

ARELLO President Elect....2
Time is of the Essence.....3
Legal Actions.....4
Key Dates and Facts.....5

The COMMENTATOR

VOLUME 2012, ISSUE 1



## *DCRA Staffer Wins President Elect Position with ARELLO*



DCREC Staffer  
Leon W. Lewis  
2012 ARELLO  
President Elect

**“ARELLO has been my career lifeline for over 24 years as a regulator. My DC Real Estate Commission committee work and monthly meetings have been enhanced tremendously with the adoption of many ARELLO programs. I owe ARELLO a great debt. Thanks ARELLO!”**

With great pride, we announce that DCRA Staff member Leon W. Lewis was elected President-Elect of the Association of Real Estate License Law Officials (ARELLO). Mr. Lewis has ably served in a variety of capacities before seeking and winning this national office. He will serve as ARELLO’s president in 2013. We are excited and proud to have such a talent in our midst.

Mr. Lewis has a long and distinguished history with the organization. He participated on the Board of Directors and participated in the planning of the then-NARELLO Mid-Atlantic District conference in 1989, co-chaired the district meeting in 1990 and chaired the 2003 ARELLO District One meeting in Washington, DC.

ARELLO supports jurisdictions in the administration and enforcement of real estate license laws to promote and protect the public interest. Their purpose is to promote excellence in real estate regulation. With the vision of becoming the essential link for making regulation better ARELLO continually strives for the following core values:

- Protection of the public interest;
- Freedom from undue influence;
- The exchange of information and the creation of knowledge; and
- An inclusive community, with cooperation among regulators and jurisdictions.

Mr. Lewis’s first impression of ARELLO was just awe at the level of professionalism, knowledge, and dedication of its membership and leadership. He was very impressed with the tremendous opportunity to network at all of the meetings. In his view, the best thing to happen to him was his own level of participation. Mr. Lewis values that he can always e-mail or pick up the telephone to converse with a staff person or Commissioner in another

jurisdiction to discuss a regulatory issue or just keep in touch. Also a plus is that ARELLO has grown internationally in the world and continues to grow its programs to assist all regulators. Mr. Lewis is proud to say that his jurisdiction (District 1) participates on nearly all of ARELLO programs.

Early influences on his decision to work with ARELLO came from DC Real Estate Commission members John P. Murchison, former Chair, and Charles Tolson, Broker Member. Mr. Murchison was very instrumental in facilitating Mr. Lewis’s transition to becoming a regulator and participating with ARELLO. From the first meeting with the Commission it was clear that Murchison wanted Mr. Lewis actively involved. He always instructed Mr. Lewis to have ARELLO as an agenda item at monthly meetings. Mr. Tolson was very instrumental in Mr. Lewis becoming a Director in Salt Lake City, Utah in 1988. There was much encouragement from the Commission and its members.

Mr. Lewis’s goals extend to when he assumes the role of President. One of his goals is to continue to implement the work of the ARELLO Strategic Plan, making the organization more visible with member jurisdictions and the public, and to brand its programs so that the membership and the public are more aware of ARELLO and what it has been doing. ARELLO has great programs and he wants to market those programs both to the membership and the public. Another goal is to increase the availability of ARELLO’s on-line programs, i.e., Webinars and other educational deliveries via the Internet.

There are some other areas Mr. Lewis wants to promote about ARELLO. For example, the many

great programs such as the Examination and Certification Program, Disciplinary Data Bank Program, on-line verifications of licensees, ARELLO-Certified distance education, a subsidiary called the International Distance Education Certification Center, where other regulatory programs, educational associations, and organizations can get approvals of distance education offerings.

The ARELLO journey has had a profound impact on Mr. Lewis. In his words, “ARELLO has been my career lifeline for over 24 years as a regulator. My DC Real Estate Commission committee work and monthly meetings have been enhanced tremendously with the adoption of many ARELLO programs.” In his view, the Examination Accreditation program is second to none. The DC Real Estate Commission has been a part of the program since almost its inception. The Disciplinary Databank Program is checked by the staff here for each of our applicants who wish to become licensed in the District, ensuring that the applicants have not had any disciplinary actions imposed on their licenses in other jurisdictions. Mr. Lewis has missed only two annual conferences or meetings in 24 years, as attending meetings has proven to be extremely valuable in doing his job. Mr. Lewis admits that ARELLO has been crucial in his long career as a regulator, and that the many friends and acquaintances he has met and stayed in touch with over the years professionally have been invaluable. Mr. Lewis’s sentiment can be summed up in this one quote, “I owe ARELLO a great debt. Thanks ARELLO!”

Congratulations, Leon Lewis!

## *Time is of the Essence...There is No Grace Period*

### 15 Hour CE Requirements

#### Broker & Property Manager

3/1/2011— 2/28/2013

Fair Housing (3 hrs)

DC Legislative Update (3 hrs)

Financing Issues/Update (3hrs)

General Electives (6 hrs)

#### Salesperson

9/1/2011— 8/31/2013

Fair Housing (3 hrs)

DC Legislative Update (3 hrs)

Financing Issues/Update (3hrs)

General Electives (6 hrs)

The District of Columbia Real Estate Commission regulates the licensure of real estate brokers, property managers, and salespersons.

The Commission office is located within the Department of Consumer and Regulatory Affairs  
1100 4th Street, SW,  
Suite E500,  
Washington, DC  
20024  
(202) 442-4320

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

The 2009-2011 licensing cycle recently ended and renewals were successful for most licensees. To be sure, there were some issues and challenges and almost all of them were avoidable by honoring the real estate rubric "Time is of the essence".

Some agents accidentally put their licenses on inactive status, thinking that they were somehow circumventing the broker. The renewal process was changed to include the principal broker specifically because some agents and brokers had no contact with each other. Underscoring the point were the licensees who discovered at renewal that their license still hung with a broker they thought they had left months before. Not receiving a new pocket license bearing the new broker's name within two weeks of affiliating with a new broker raises the proverbial red flag. The licensee is ultimately the responsible party for ensuring that their license is properly handled. The sooner a licensee looks into license irregularities, the more remedies are available. Taking time to check one's license status is as easy as calling Pearson VUE at (888) 204-6192.

Principal and Independent Brokers were not immune to renewal challenges. The primary sticking point was for brokers to realize that both their personal license and their company license have to be renewed by the end of the renewal cycle. Failing to renew one or the other causes the company license to become inactive. Once the company license or Independent Broker license status becomes inactive, then affiliated or associated licensees automatically become inactive.

The biggest sticking point for all licensees remains the timely completion of continuing education requirements by licensees. Brokers, property managers and salespersons continue to leave this important license renewal task until the last minute and even later.

Per DC regulation, licensees must complete CE requirements on or before the end of their applicable licensing cycle, either February 28 (Brokers and Property Managers) and August 31 (Salespersons).

Many licensees believe that there is a "grace period" within which the credits may be obtained. In fairness, the Commission has operated as though there was an extension period during which it allowed licensees to complete the entire CE requirement in the two months following the end of the cycle.

Please note the Commission is ending that practice as of this cycle, which will end in 2013. Regarding the "grace period", per DC regulation 2605.8 An applicant for the renewal of a license who fails to submit proof of having completed the continuing education requirements by or before the expiration date may renew the license within sixty (60) days after expiration by submitting proof pursuant to § 2605.8 of this section and by paying the required late fee. Upon renewal, the Commission will deem the applicant to have possessed a valid license during the period between the expiration of the license and its renewal.

In other words, the licensee must have COMPLETED the coursework prior to the end of their applicable cycle. The 60

day period following the end of the cycle is only there for licensees to SHOW PROOF that the credits were earned prior to the end of the cycle. Showing proof includes requesting providers to upload credits to the PULSE system. It does not entitle the licensee to take a course after the end of the cycle and have it count, with no penalties. THERE IS NO GRACE PERIOD. The penalty for not completing CE courses on time will be to have licenses deemed expired and need to be reinstated prior to conducting any real estate business in the District of Columbia.

Reinstatement of a license includes the following steps:

- Letter of Certification from states / jurisdictions outside of DC where you have been practicing real estate since your last renewal.
- Continuing Education: Provide proof of having completed the required hours of continuing education since your last renewal.
- Letters of recommendation from two (2) real estate brokers licensed to practice real estate in the District of Columbia.

Licensees are encouraged to take advantage of the educational opportunities available from our fine continuing education providers throughout the entire two year cycle. All the course categories can be listed by visiting this site with these steps: <https://www.PulsePortal.com>

**Program:** District of Columbia

**Board:** Real Estate

**Select "Course Offering Inquiry"**

**Fill in Dates using Drop Down Calendar in first two white boxes.**

**Click "View/Refresh Report"**

# Legal Actions



**Vincent C. Gray,  
Mayor**

**Nicholas A. Majett,  
Director - DCRA**

**Alton Duncanson,  
Chairman**

**www.pearsonvue.  
com/dc/realstate**

**dcra.dc.gov**

## Occupational and Professional Licensing Administration Staff

**Clifford Cooks  
Program Manager**

**Staci Mason  
Program Officer**

**Leon W. Lewis  
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Contributing Editor**

**Kevin Cyrus  
Education Liaison,  
Editor**

**Stephanie Johnston  
Commission Assistant**

**Kia Winston  
Legal Counsel**

**Wilfred Usher  
Chief Investigator**

### § 42-1707 Applications for payments from the Real Estate Guaranty and Education Fund

(a) Any person who:

(1) Obtains a final judgment, including a settlement reduced to a final judgment, in any court of competent jurisdiction in the District against any other person on the grounds of fraud, misrepresentation, deceit, embezzlement, false pretenses, forgery, failure to account for or conversion of trust funds, or violation of the provisions of this subchapter, arising directly out of any transaction which occurred when the other person was licensed under this subchapter, during the course of which the licensee performed acts for which a license is required under this subchapter, and which transaction occurred on or after March 10, 1983; and (2) Meets the requirements of subsection (b) of this section; may, upon termination of all proceedings, including reviews and appeals in connection with the judgment, file a written application, under oath, with the Mayor for an order directing payment from the Fund of the amount of actual and direct loss in the transaction (excluding the amount of any interest, attorney's fees, court costs, or punitive or exemplary damages) which remains unpaid upon the judgment. The application shall be filed no later than 12 months after the date on which the judgment became final.

(b) A person filing an application meets the requirements of this subsection if:

(1) The person is not a licensee or the personal representative of a licensee and is not the spouse or child of the licensee

against whom the final judgment was awarded, or the personal representative of the spouse or child;

(2) The person has made the investigation as is reasonably necessary to determine whether the judgment debtor possesses real or personal property or other assets which are liable to be sold or applied in satisfaction of the final judgment and has filed with the Commission

an affidavit which states that the investigation has been made; and

(3) The investigation required by paragraph (2) of this subsection has not disclosed the existence of any real or personal property or other assets, or, if the investigation has disclosed the existence of real or personal property or other assets (which shall be described in the affidavit) the person has taken all action necessary for the sale or application, and the amount so realized is insufficient to satisfy the judgment (which amount shall have been stated in the affidavit together with the balance remaining due on the judgment after the sale or application).

### Real Estate Guaranty and Education Fund Payment

The Commission authorized a payment from the Real Estate Guaranty and Education Fund. The licensee involved in actions taken by the Commission was Private Properties, Inc. The amount of the payment was \$16,747.84.



### Real Estate Guaranty and Education Fund Payment

The Commission authorized a payment from the Real Estate Guaranty and Education Fund. The licensee involved in actions taken by the Commission was Private Properties, Inc. The amount of the payment was \$46,296.46.



### Joseph Yost

The respondent entered into a Settlement Agreement for allegations regarding violations of D.C. Official Code Section 47-2853.17(13) and for failure to properly supervise an individual in his employment in violation of DCMR 17-2614.1. The respondent denied any liability in this matter and the matters asserted in the Notice of Intent to Take Disciplinary Action. The Settlement Agreement entered into stipulated a \$2,000.00 fine.



### Real Estate Guaranty and Education Fund Payment

The Commission authorized a payment from the Real Estate Guaranty and Education Fund. The licensee involved in actions taken by the Commission was Private Properties, Inc. The amount of the payment was \$47,159.23.



# Key Dates and Facts

## DCRA Offices

Department of Consumer and Regulatory Affairs (DCRA)

1100 4th St., SW

Washington, DC 20024

At Waterfront-SEU Metro Station on the Green Line.



[dcra.dc.gov](http://dcra.dc.gov)

## 2012 Event Calendar

2012 National Association of REALTORS® (NAR) Midyear Meetings  
Washington, DC May 14 -19

ARELLO Mid-Year Meeting  
Austin, Texas April 11-14, 2012

DC Preservation League  
Historic Preservation 101 & 201  
Gallaudet University May 2012

Real Estate Educators Association (REEA) Louisville, Kentucky June 10-13

National Association of Real Estate Brokers, Inc (NAREB) Annual Conference  
Cleveland, Ohio Aug. 3-10

Association of Real Estate Law Officials (ARELLO) Annual Conference  
Halifax, Nova Scotia, Canada  
Sept. 20 - Sept.23

2012 National Association of REALTORS® (NAR) Annual Convention  
Orlando, FL November 9-12

## 2012 Meetings

Commission meetings scheduled for second Tuesday each month.

February 14, 2012

March 13, 2012

April 10, 2012

May 8, 2012

June 12, 2012

July 10, 2012

August— Recess

September 11, 2012

October 9, 2012

November 13, 2012

December 11, 2012

Dates subject to change. Call 202-442-4320 for updated dates.

## Active Licensee Counts

(As of January, 2012)

Brokers 2,440

Broker Companies 1,037

Property Managers 368

Salespersons 6,614



District of Columbia Real Estate Commission  
1100 4th Street SW, Suite E500  
Washington, DC 20024