

COMMISSION COMMENT

Fall

2001

Website Capability Growing TAKE A LOOK!

If you have not visited the Commission's website recently or never have, you will be surprised by the comprehensiveness and functionality of it. The site is available 24 hours a day, 7 days a week, 365 days a year. The address is: www.nol.org/home/NREC (This address is case sensitive, lower and upper case must be used as indicated.)

Just for openers, you can access by use of your unique User Name (REMEMBER: this is your license ID number) and Password, your personal continuing education history to make sure you do not duplicate hours. The License Manual and Trust Account Manual are available for review or download. General information about, and instructions for, any Commission service is here. There is a Licensee Data Base Search component - Want the name of a licensee in Alliance or anywhere else, click on that link. All Commission forms can be downloaded for submission. **ANYTHING THAT IS AVAILABLE FROM THE**

COMMISSION OFFICE IS ON THE WEBSITE. You can acquaint yourself with the website by viewing the "Site Map" found on the left menu bar.

You will want to bookmark the site or add it to your "Favorites" so you can benefit from the wide selection of material posted here now and in the future.

WHAT'S NEW?

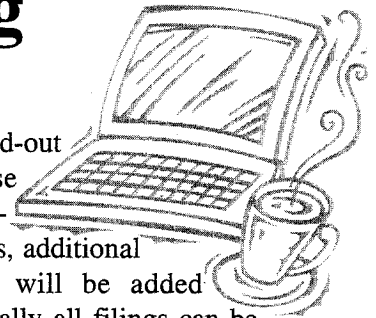
PAYMENT BY CREDIT CARD

The Real Estate Commission is now accepting credit card payments in the office and online! Effective August 1, 2001, we started accepting Visa and MasterCard payments, no other credit cards will be accepted. This method of payment may be utilized by presenting your card or filling out the credit card payment section on the forms being submitted.

ONLINE PROCESSING

Credit card payment has also made it possible to complete several processes online. While not all processes requiring a fee lend themselves to online completion, the following are now available: Broker/Salesperson Reinstatement Applications, Branch Office License Applications, Broker/Salesperson Examination Retake Applications, Applications for Registration as a Limited Liability Company, Applications for Registration as a Professional Corporation, Roster/Mailing Label Order Forms, and the License Manual and Trust Account Manual Order Forms. As the "kinks"

are worked-out with these initial on-line filings, additional processes will be added until virtually all filings can be made online. For a complete listing of all forms available for submission online use this direct link: www.nol.org/home/NREC/form-list.htm (remember address is case sensitive).



For online submission you will need your User Name and Password. The User Name and Password is your digital or electronic signature. If you have forgotten, or lost, your User Name and Password which the Commission provided to you, please contact Monica at the Commission Office or complete and submit the User Name and Password Information form found on the website.

2002 RENEWALS ONLINE

Yes, in addition to the other processes mentioned earlier, Brokers, Salespersons and Branch Office Renewals may be submitted online and the payment made by Visa or MasterCard.

BUT REMEMBER . . .

Please remember, when submitting any form online, if additional documents, pictures, etc. are required or needed to complete processing, you must submit the documentation to our office **prior** to submitting the form online. You will be asked in the online document to describe how the additional information is being supplied i.e. fax, mail, etc.

Commission Meeting Schedule

August 20-21
September 26-27

Lincoln
Omaha

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COMMISSION COMMENT

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The Nebraska Real Estate Commission grants permission to reprint articles which appear in this newsletter on condition that recognition of their original publication in the **Nebraska Commission Comment** also appears with the article.

The Nebraska Real Estate Commission often solicits articles from outside experts or reprints articles with permission. While we feel that these articles may offer a broader perspective and will be of interest to the reader, it should be remembered that the views expressed are those of the author and not necessarily those of the Commission.

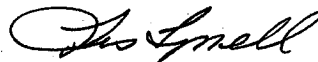
FROM THE DIRECTOR'S DESK

Legislative Update

As reported in the Spring Issue, the two legislative bills, which the commission developed had been amended into one bill, LB215. LB215 proceeded through the legislative process and on the final day of the Session it was passed and then vetoed by the Governor. The veto was due to an amendment against discriminating based on sexual orientation which had been added to the bill on the floor of the Legislature. An attempt to override the veto was not successful. The Commission will decide this Fall whether to reintroduce the legislation in the 2002 Session.

Earnest Money Deposit Reminder

In the past, if both parties to a purchase agreement agreed to have the earnest money go directly to the builder, we had requested that a subledger be made just as for any other transaction and it be noted on the sub-ledger that the earnest money deposit went directly to whichever builder. This same procedure should be used for any transaction in which the parties to the transaction agree that the earnest money deposits should go directly to a third party, i.e. the builder, closing company, attorney, etc, and by-pass the trust account of the broker or brokers involved. Both brokers will need to have copies of the accepted contract and any attachments and the receipt from the third party.



Les Tyrrell,
Director Nebraska Real Estate Commission



MEET THE REAL ESTATE COMMISSION STAFF

The Real Estate Commission Staff is here to serve the public and the licensee population. It is our goal to be helpful and forthright in a courteous and professional manner. We hope that when you contact our office, you always receive useful, accurate information and/or are referred to the proper authority.

Following is a communication resource to assist you when contacting our office. If the indicated person is unavailable to take your call, please share the purpose for the call and your call will be routed to someone else who can help you.

We take pride in having a skilled staff. If you have comments or suggestions as to how we may better serve you, please contact our office.

COMMUNICATIONS GUIDE

Ask for person indicated if you have questions in the following areas.

Commission Meeting Information	Heidi Burkland InfoTech@nrec.state.ne.us
Complaint Procedures	Terry Mayrose DDEnf@nrec.state.ne.us
Continuing Education History or Inquiries	Julie Schuur EdEnf@nrec.state.ne.us
Curriculum Design (Education & Instructor Approval)	Teresa Hoffman DeputyD@nrec.state.ne.us
Errors and Omissions Insurance Inquiries	Teresa Hoffman DeputyD@nrec.state.ne.us
License Applications Packet Requests	General Staff
License Applications Process	Nancy Glaesemann Applic@nrec.state.ne.us
Licensing and Education Requirements	Teresa Hoffman DeputyD@nrec.state.ne.us
New Licenses in Process	Nancy Glaesemann Applic@nrec.state.ne.us
Specialized Registrations	Monica Wade Finance@nrec.state.ne.us
Transfer of License	TBA LicTsf@nrec.state.ne.us
Trust Account Matters	Terry Mayrose DDEnf@nrec.state.ne.us John Clark Ron Pierson Patricia (Pat) Stehly
Webmaster	Monica Wade Finance@nrec.state.ne.us

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Disciplinary Actions Taken by The Real Estate Commission

(Does Not Include Cases on Appeal)

2000-010 Ken & Diane Weber vs. Jillian Ann Currie, broker. License censured; plus an additional three (3) hours of continuing education in the area of contracts to be completed by August 12, 2001. [Violated Neb.Rev.Stat. § 81 885.24(19) by failing to include a fixed date of expiration on a listing agreement.]

February 13, 2001

2000-042 Michael G. & Judith K. Metz vs. Earl Jeffrey Allen, broker. Stipulation and Consent Order. License censured; plus an additional six (6) hours of continuing education, including three (3) hours in the area of contracts and three (3) hours in the area of trust accounts to be completed by September 26, 2001. [Violated Neb.Rev.Stat. § 81-885.24(22) by making a material misrepresentation when delivering a Purchase Agreement indicating Respondent had received a \$1,000.00 earnest deposit from Buyer when in fact he had not; § 81-885.24(29) by demonstrating negligence, incompetency or unworthiness in failing to advise the Listing Agent at the time of delivery of the first Purchase Agreement and at the time of his later telephone conference advising the Listing Agent "we have a deal" that he had not received the earnest deposit from his client.]

March 27, 2001

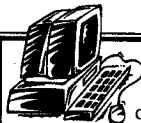
2001-017 Commission vs. Lyle Richard Todd, broker. Stipulation and Consent Order. License suspended for thirty (30) days with entire period stayed and served on probation from April 26, 2001, through May 25, 2001; plus an additional three (3) hours of continuing education in the area of trust

accounts to be completed by July 25, 2001. [Violated Neb.Rev.Stat. § 81 885.24(26) by violating Title 299, Chapter 3-002 of the Nebraska Real Estate Commission Rules & Regulations in that he failed to maintain a bookkeeping system which accurately and clearly discloses full compliance with the laws relating to the maintenance of trust accounts; § 81-885.24(29) by demonstrating negligence, incompetency or unworthiness to act as a broker.]

April 26, 2001

2001-007 Terry & Pamela Weldin vs. H. James Merrigan, broker. Stipulation and Consent Order. License suspended for thirty (30) days, with entire period stayed and served on probation from May 22, 2001, through June 20, 2001; plus an additional six (6) hours of continuing education to include three (3) hours in the area of agency and three (3) hours in the area of disclosures to be completed by November 21, 2001. [Violated Neb.Rev.Stat. § 76-2421 by failing, at the earliest practicable opportunity during or following the first substantial contact with the Buyers who had not entered into a written agreement for brokerage services with the designated broker, to provide the Buyers with a written copy of the current brokerage disclosure pamphlet which has been prepared and approved by the Commission, by failing to disclose in writing the types of brokerage relationships the Respondent is offering to the Buyers and by failing to disclose in writing to the Buyers who Respondent is representing; § 76-2422(4) by acting as a dual agent

(Continued on page 4)



We've Got Mail!!

E-mail, that is. The Commission is focusing on technology. Our goal is to enhance our accessibility and service to the Public and to our Licensee Population.

With that in mind, let us call your attention to the addition of e-mail addresses in the "Communications Guide" located on page 3. If you have any questions, please feel free to contact us by phone, mail, or e-mail, so that we may be of assistance.

(Continued from page 3)

without obtaining the written agreement of the Buyer and Seller; § 76-2419(1) by acting as a dual agent without the informed consent of all parties to the transaction; § 81-885.24(26) by violating a rule or regulation adopted and promulgated by the Commission in the interest of the public and consistent with the Nebraska Real Estate License Act; specifically, the stipulated facts demonstrate a violation of Title 299, N.A.C. Ch. 5-003.09 by acting for more than one party in a transaction without the informed written consent of all parties involved in the transaction; § 81-885.24(29) by demonstrating negligence.] May 22, 2001

2001-014 Commission vs. Sam C. Huston, broker. Stipulation and Consent Order. License censured; plus an additional three (3) hours of continuing education in the area of trust accounts to be completed by November 21, 2001. [Violated Neb.Rev.Stat. § 81-885.24(26) by violating any rule or regulation adopted and promulgated by the Commission in the interest of the public and consistent with the Nebraska Real Estate License Act, specifically: Title 299, N.A.C. Ch. 3-002 by failing to maintain a bookkeeping system which clearly and accurately discloses full compliance with the laws relating with the maintaining of trust accounts; § 81-885.24(29) by demonstrating negligence.] May 22, 2001

2001-015 Commission vs. Elaine R. Richman, salesperson. Stipulation and Consent Order. Broker's license surrendered on May 29, 2001, and Salesperson's license issued on suspension from May 29, 2001, through June 11, 2001; salesperson license can only be active under supervision of Bruce R. Richman; plus an additional six (6) hours of continuing education to include three (3) hours in the area of agency and three (3) hours in the area of disclosures to be completed by November 21, 2001. [Violated Neb.Rev.Stat. § 81-885.21(2) by failing to notify the Commission of the name of the bank in which a trust account is main-

tained and provide the name of the account on forms provided by the Commission; § 81-885.24(26) by violating any rule or regulation adopted and promulgated by the Commission in the interest of the public and consistent with Nebraska Real Estate License Act, specifically: Title 299, N.A.C. Ch. 3 002 by failing to maintain a bookkeeping system which clearly and accurately discloses full compliance with the laws relating to the maintaining of trust accounts; Ch. 3-006 by failing, in the case of cooperative sales between brokers, to forthwith transfer earnest money to the listing broker; Ch. 5 003.10 by failing to identify in writing to the seller at the time an offer is presented and accepted, those categories of cost the seller will be expected to pay at closing, as well as preparing a written estimate of the costs the seller will be expected to pay at closing; Ch. 5-003.11 by failing to identify in writing to a purchaser, at the time an offer is written by the purchaser or a counter offer is accepted by the purchaser, those categories of costs the purchaser will be expected to pay at closing as well as preparing a written estimate of the costs the purchaser will be expected to pay at closing; Ch. 5 003.14 by failing to deposit any funds received as earnest money within 48 hours or before the end of the next banking day after an offer is accepted, in writing, unless otherwise provided in the purchase agreement; § 76-2421(1) by failing, at the earliest practicable opportunity during or following the first substantial contact with a seller, landlord, buyer, or tenant who has not entered into a written agreement for brokerage services with the designated broker, to disclose in writing to that person the types of brokerage relationships the designated broker and affiliated licensees are offering to that person or disclose in writing to that person which party the licensee is representing; § 76-2422(4) by acting as a dual agent without first obtaining a written agreement of the seller and buyer or landlord or tenant permit-

ting the designated broker to serve as a dual agent in the proposed transaction.; § 76 2422(2) by acting as a selling agent without entering into a written agency agreement with a seller in a transaction; § 81-885.24(29) by demonstrating negligence.] May 22, 2001

2001-018 Commission vs. Gregory Dean Mehring, broker. Stipulation and Consent Order. License censured; plus an additional three (3) hours of continuing education in the area of trust accounts to be completed by November 21, 2001. [Violated Neb.Rev.Stat. § 81-885.24(26)(Reissue 1996, as amended) by violating any rule or regulation adopted or promulgated by the Commission in the interest of the public and consistent with the Real Estate License Act, specifically: Title 299, N.A.C. Ch. 3-002 (as in effect on January 28, 1997) by failing to maintain a bookkeeping system which accurately and clearly discloses full compliance with the law relating to the maintaining of trust accounts; 81-885.24(29)(Reissue 1996, as amended) by demonstrating negligence, incompetency or unworthiness to act as a broker.]

May 22, 2001

2001-013 Commission vs. Dennis L. Kilmer, salesperson. License revoked. [Violated Neb.Rev.Stat. § 81-885.12 by making a false statement of a material fact on an application; § 81-885.24(22) by making a substantial mis-representation on an application made to the Commission; § 81-885.24(29) by demonstrating negligence, incompetency or unworthiness to act as a salesperson.]

May 23, 2001

98-026 - Commission vs. Buree Stoval, broker - Stipulation and Consent Order. License suspended for two years beginning March 19, 1999, with the first ninety (90) days of said suspension served and the remaining suspension time stayed and served on probation, plus an additional twelve hours of continuing education to include three hours in trust accounts, to be completed by

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June 18, 1999, and three hours in agency and six hours as determined and approved by the Director, to be completed by March 18, 2001.* (Violated Neb.Rev.Stat. § 81-885.24(26) by violating a rule or regulation adopted and promulgated by the Commission in the interest of the public and consistent with the Nebraska Real Estate License Law, specifically, Title 299, N.A.C. Ch. 3-002 by failing to maintain a book-keeping system which accurately and clearly discloses full compliance with the laws relating to the maintenance of trust accounts; Ch. 5-003.10 by failing to identify to the seller, in writing, at the time the offer is presented and accepted, those categories of costs the seller will be expected to pay at closing, failing to prepare a written estimate of the cost

the seller will be expected to pay at closing, and failing to obtain the signature of the seller on said written document; Ch. 3 006 by failing, in the case of cooperative sales between brokers, to deposit an earnest money payment in her real estate trust account within forty-eight hours or before the end of the next business day after an offer is accepted, in writing, and then forthwith transferring such earnest money deposit to the listing broker; Ch. 5-003.07 and Ch. 5-003.08 by failing to comply with Neb.Rev.Stat. § 76-2401 through § 76-2430 in the following particulars: I) Neb.Rev.Stat. § 76-2420 by failing to adopt a written policy which identifies and describes the relationships in which the designated broker and affiliated licenses may engage with any seller, landlord, buyer, or tenant as part of any real

estate brokerage activities; and ii) Neb.Rev.Stat. § 76-2421 by failing to provide a written copy of the current brokerage disclosure pamphlet to a seller, landlord, buyer, or tenant who has not entered into a written agreement for brokerage services with a designated broker at the earliest practicable opportunity during or following the first substantial contact; Neb.Rev.Stat. § 81-885.02 by conducting the business of a broker without an active real estate license; Neb.Rev.Stat. § 81-885.24(29) by demonstrating negligence, incompetency or unworthiness to act as the broker.) *Per Show Cause Hearing on June 26, 2001, for not completing said additional continuing education during probationary period, license censured.

February 24, 1999

Dual Contracts: A Road Often Traveled But Not Worth Considering

(EDITOR'S NOTE: The following article written by Mr. Edwin A. Farnell, III, Regulatory Compliance Manager, was reprinted with permission from the May 2001, "South Carolina Real Estate Commission News". Nebraska Licensees should be cautioned as this matter has importance to our state as well. Title 299 Chapter 5 Section 003.02 of the Nebraska Real Estate License Act makes the following an action demonstrating negligence, incompetency, or unworthiness: "Conspiring with an applicant to represent to any lender, guaranteeing agency, or any other interested party, either verbally or through the preparation of false documents, an amount in excess of the true and actual sale price of the real estate or terms differing from those actually agreed upon.")

The Real Estate Commission and the Real Estate Appraisers Board have recently worked several cases involving dual contracts. **The license law defines a dual contract as an instrument, "written or otherwise,**

by stating a sales price higher than the actual sales price in an effort to obtain a larger loan from a lender or lending institution or for the purpose of misinforming a governmental agency or any other reason." This wording is fairly clear and open to little interpretation, but licensees are getting involved in dual contract situations all too frequently. The penalties for becoming involved in a dual contract can be very severe, up to and including loss of your license.

If your attention has not yet been gained, let's try these...dual contracts almost always equate to loan fraud and loan fraud has the tendency to arouse the interest of federal law enforcement agencies and prosecutors. The Federal Bureau of Investigation has recently asked for our help and offered its assistance in cases involving loan fraud. Title 18 of the United States Code, Section 1014, makes loan fraud punishable by fines up to \$1,000,000 and/or up

to 30 years in prison. Offenders are also often charged with fraud, mail fraud and conspiracy.

Now are you listening?

Among others, the participants in loan fraud can include the real estate agent, the real estate appraiser, the loan officer or loan broker, the closing attorney, the buyer and the seller. Any of these persons, however, can break the chain and cause the fraud to unravel. Based upon the risks listed above, there are certainly more reasons to break the chain than to be a link in it. The real estate licensee representing the buyer or the seller can hardly be unaware of a dual contract and in most cases is in the best position to have in-depth knowledge about loan fraud attempts.

Some key points to remember about dual contracts are (1) dual contracts do not have to be simultaneous, (2) the lender is often not the person who processes the loan appli-

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cation, (3) just because a lender or loan broker says it is legal does not make it so, (4) just because an appraisal supports the contract figure does not make it legal, and finally, (6) there is no legitimate reason for two different contracts to exist between the same buyer and seller for the same transaction.

While not all loan fraud involves dual contracts, dual contracts are often used to disguise the existence of one or more elements of loan fraud. These may include playing with the loan to value ratio, the secret second mortgage, the silent second, the bump and run or a property flip. Loan fraud is becoming big business as indicated by recent FBI statistics that indicate of the \$1.7 trillion in residential mortgage loans or refinancing packages issued in 1998, an estimated \$60 billion was fraudulent. It has been reported that almost 1/3 of all mortgages are approved because of false information and up

to 20 percent of the loans would not have been made if the lender had known all the correct facts.

In a fairly recent case involving dual contracts, two real estate appraisers lost their licenses, and two real estate agents were reprimanded, placed on probation and were required to pay \$9,000 in restitution to the buyers in order to keep their licenses from being suspended indefinitely. The Real Estate Appraisers Board is currently investigating a case where a real estate agent, not involved in the dual contract, reported that it went to closing even though it was pointed out to all the participants that it appeared illegal. Needless to say, where money is involved, people will often succumb to greed. Please do yourself a favor and do not get involved, even unwittingly, in dual contracts. The costs could far outweigh any commissions received. Do not be fooled either by the notion that you are helping a buyer by manipulating the contract.

Consider, instead, the impact on

the buyer who may be faced sometime in the future with payments he/she cannot afford and a home that cannot be sold because it is not worth the amount owed on the mortgage. Bottom line...do not participate in, or otherwise indulge the participants of, a dual contract. You could lose your license, face federal prosecution and be subject to civil suits. Handle all changes to a contract by way of an addendum that is clearly made part of the contract. If you are told by anyone that the lender will not accept a contract addendum and that you need a new contract, you should believe immediately that loan fraud is possibly in the making. Please call the Commission if you become aware of any suspicious transactions.

Criminal Indictment Handed down in Lead-based Paint Case

Feds Say Landlord Lied, Knew About Paint Presence

(Editor's Note: This article is being reprinted with permission from the Spring 2001 issue of ALQ/Real Estate Intelligence Report.)

Brokers and agents involved in property management beware: For the first time in history a federal grand jury has returned criminal charges against a landlord for allegedly submitting false documents to federal officials in order to conceal his failure to notify tenants about lead-based paint in his apartments.

The maximum penalty for each of the 15 counts is five years in jail and a \$250,000 criminal fine.

David Nuyen, 65, of Silver Spring, MD, owns 15 low-income rental properties. According to the indictment, Nuyen had notice of

actual lead-paint hazards at one of his apartment buildings.

In September 1998, HUD contacted Nuyen as part of the initiative to enforce the Lead Hazard Reduction Act that requires landlords to tell tenants, before they sign a lease, about actual or potential hazards of lead-based paint.

The law requires landlords to give tenants an EPA pamphlet about lead hazards and how to minimize the dangers to children, and it directs landlords to document their compliance with the law by keeping tenants' signatures on file, using a standard disclosure form.

The indictment charges that Nuyen gave HUD backdated forms containing "false, fictitious and

fraudulent statements" after he was unable to produce records demonstrating that he had complied with the tenant notification requirement.

The indictment alleges that:

- Nuyen backdated his signature and his tenants' signatures on lead paint disclosure forms and represented that he signed and distributed the forms and gave tenants all records and reports pertaining to lead-based paint hazards in the housing;
- Nuyen directed resident building managers to have tenants sign and backdate forms by putting the tenants' move-in date on the form, rather than the date on which the tenant actually

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received the lead notice and signed the form;

- Nuyen gave HUD the forms without disclosing that some tenant signatures had actually been written by resident building managers employed by Nuyen, not signed by the tenants; and
- Nuyen gave lead hazard notification forms to HUD repre-

senting that he told tenants he had no specific information of lead-based paint and lead-based paint hazards for his apartments, even though he had been issued notices by the District of Columbia requiring repairs and warning that lead-based paint had been found in certain apartments in a quantity sufficient to constitute a hazard.

The indictment alleges that Nuyen gave HUD "false and misleading

lead paint disclosure forms" regarding his apartments.

(Follow-Up to this original article found on ALQ's website: www.reintel.com:

... David D. Nuyen, 65, of Silver Spring, Md., admitted to the charges and will serve two years in prison. He is also subject to a maximum \$250,000 criminal fine for each of the six felony counts to which he pleaded guilty.)

2002 LICENSE RENEWAL

In September, all persons holding a Real Estate Broker or Salesperson license will be sent a renewal notice along with a partially completed renewal form for use in renewing their license for 2002. Your renewal will be mailed to your broker's main office address, unless you have informed us of your preferred contact address. Then the renewal will be mailed to the requested contact address. If you do not receive your renewal by the end of September please contact the Real Estate Commission Office as soon as possible. In order for mail to be deliverable, the Post Office must have the names of all persons receiving mail at that address.

Deadline Reminder

November 30, 2001, is the deadline for submitting renewal application materials for all active and inactive salespersons and brokers, along with the proper fees and, if needed, proof of continuing education and errors and omissions insurance. These materials must be postmarked (**postal meter marks will NOT be considered**) or received in the Office of the Nebraska Real Estate Commission, 1200 'N' Street, Suite 402, PO Box 94667, Lincoln, NE 68509, by November 30, 2001. The Office is open until 5:00 P.M. (CST).

Licenses Held on Inactive Status Must Be Renewed Each Year, Too.

Renewal forms and renewal instructions specific to inactive licenses will be mailed along with all others and are subject to the same deadlines as described in this article.

RENEWAL FORMS ARE PRODUCED FROM OUR DATABASE AND ARE INDIVIDUALIZED TO THE NAMED LICENSEE. PLEASE TAKE THE TIME TO READ THE SUPPLIED INFORMATION CAREFULLY AND MAKE ANY CORRECTIONS NECESSARY. DO NOT ATTEMPT TO USE SOMEONE ELSE'S FORM, THE BARCODE WILL NOT ACCOMMODATE THIS. PLEASE TAKE CARE NOT TO LOSE YOUR INDIVIDUALIZED FORM. EVERY YEAR WE SPEND A GREAT DEAL OF TIME AND RESOURCES DUPLICATING THE ORIGINAL MAILING FOR THOSE WHO HAVE MISPLACED THE DOCUMENTS.

Incomplete Applications

NO RENEWALS WILL BE ACCEPTED UNLESS THEY ARE FILLED OUT COMPLETELY AND SIGNED BY THE LICENSEE. Make sure your check or credit card information is enclosed, filled out properly, and in the correct amount. If active, do not forget about the errors & omissions insurance and continuing education.

Late Renewals

Any salesperson or broker who fails to file an application for renewal of a license and pay the renewal fee by the November 30 date, as provided in the Nebraska Real Estate License Act and Neb. Rev. Stat. § 49-1203, may file a late renewal application with all required information included and must pay, in addition to the renewal fee, the sum of twenty-five dollars for each month, or fraction thereof, beginning with the first day of December; provided that such late application is filed before July 1 of the ensuing year, i.e. by 5:00 P.M. (CDT) June 30, 2002. (Because June 30, 2002 falls on a Sunday when the Commission office will be closed, postmarks, walk-ins, and on-line filings as of Monday, July 1, 2002 will be accepted.)

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“Bundling” of Renewal Submissions

Every individual licensee is responsible for the renewal of his or her own license. However, some firms have a practice of holding renewals until they have collected all the renewals of the licensees with the firm and then submitting them to the Commission all together. There are two general approaches to this “bundling” practice. One, all renewals for the firm are collected, with individual checks attached to each renewal, and then all renewals for the firm are sent, under one cover, to our Office. Two, all renewals for the firm are collected with the firm writing one check to cover the total amount needed to renew all licensees in the “bundle” and then they are sent, under one cover, to our Office. Both practices can cause situations to occur where late penalty fees can accrue, if the “bundled” renewals are not sent considerably early, to allow for the review and processing to take place prior to December 1.

In the first scenario, the licensee may have turned his/her renewal and check into the firm a month or more in advance. The “bundle” arrives at the Commission Office a day or two before the deadline. In processing, it is found that questions have not been answered; the form is unsigned; proof

of continuing education or errors and omissions insurance is needed; and/or an individual licensee’s check is not correct. The individual licensee will owe a late penalty fee if the correction cannot be made prior to November 30 at 5:00 P.M.

In the second scenario, the licensee had turned his/her check and form into the firm a month or more in advance and the “bundle” with one check arrives at our Office on or close to the deadline. Again, the review process finds that an individual application, or more than one, is incomplete or proof of continuing education or errors and omissions insurance is needed. This time, however, if the correction cannot be made by the deadline, all renewal applications covered by the single check are late and the late penalty fee accrues to all the renewal applications. **If the “bundling” option is used, please be sure to mail early!**

Renew Early

The processing of renewal applications, as the volume of renewals received increases near the deadline, can be as long as a week to ten days. This being the case, the return of the individual application or “bundled” applications, by mail, in and of itself, will cause late penalties to occur. Therefore, we encourage all licensees to mail renewals early and not wait until the last minute.

CREDIT CARD PAYMENTS

Visa and Master Card only may now be used to pay fees associated with the renewal of licenses. Please review forms and supply the indicated information when opting for this method of payment.

REMEMBER:

LICENSE RENEWAL FEES CANNOT BE COMBINED WITH TRANSFER FEES OR EXAMINATION FEES. THESE ARE SEPARATE PROCESSES. PLEASE SEND SUCH REQUESTS AND THE APPROPRIATE FEE UNDER SEPARATE COVER.

INSUFFICIENT FUNDS CHECKS

IT SHOULD ALSO BE POINTED OUT THAT THE LICENSE ACT PROVIDES THAT THE ISSUANCE OF AN INSUFFICIENT FUNDS CHECK MAY BE GROUNDS FOR DENIAL OR REVOCATION OF A LICENSE - THIS INCLUDES THE RENEWAL OF A LICENSE. A CHECK RETURNED FOR ANY REASON ACCRUES A \$20.00 PROCESSING FEE.

Opportunities TO RENEW On-Line At

www.nol.org/home/NREC

Our website has been developed to better serve you and we are constantly updating it to even better serve licensees and the public. We hope that you have acquainted yourself with the site and the tremendous amount of material already available on it. We are seeking to bring you greater opportunities in this medium. While everyone will be mailed a renewal in the traditional fashion, the opportunity to submit a renewal online is now available to you (see our article on the Website also in this issue). Should you elect to renew online please remember that all deadlines apply to online renewals just as they would any other.

TOP FIVE LIST OF RENEWAL MISTAKES:

This article is being written to alert you to some of the renewal mistakes that we have seen repeatedly over the years, it is not intended to discourage you from contacting us with your questions and concerns. It is our objective to assist in your efforts to meet your license responsibilities.

We all make mistakes and we all need help correcting these mistakes. Unfortunately, these "little" renewal mistakes are often multiplied by the hundreds and most mistakes, even the little ones, are costly in some way i.e. time and money. It is our hope that by reviewing the "Top Five Mistakes" listed below and by being mindful of them you can avoid these same pitfalls and enjoy a smoother renewal experience.

1. Incomplete or Inaccurate Renewals:

Renew early and carefully!

Every year we make hundreds of telephone calls to avoid returning incomplete renewals. We endeavor to facilitate the renewal of your license in any way that we can but these calls are costly in time and charges. Please make sure that the application is completed fully and signed. Make sure your check is enclosed, signed, and in the correct amount. If active, do not forget about the errors & omissions insurance and continuing education.

2. No Errors & Omissions Insurance:

E & O Policies other than the NEBRASKA Commission-offered plan require a current Certification of Coverage Form either already in the file or submitted with the renewal form. When indicating enrollment in the Nebraska Commission-offered plan, the form reads that you have MADE application—key is the fact

that you must follow up on this commitment and either send the insurance enrollment materials to Williams Underwriting Group, Inc. prior to or at the same time you send your renewal materials to the Commission. WE CANNOT RENEW YOUR LICENSE ON ACTIVE STATUS WITHOUT PROOF OF INSURANCE.

3. Continuing Education Requirement not Complete or not Submitted:

If your renewal form indicates NEEDS CONTINUING EDUCATION—then you have not fulfilled your CE obligation and we will not renew your license on active status without it. Please do not send continuing education certificates in AFTER you have submitted your renewal, this is too late and may affect your renewal in a way you hadn't intended. If you need to explore your options we will be happy to discuss this with you

PRIOR to you sending in your renewal.

4. Postal Meter Marks Will Not be Honored:

State law allows us to recognize U.S. Postmarks as a means to complying with deadlines which involve fees. Postal meters are not sufficient to meet this requirement.

5. Lost Renewal Materials:

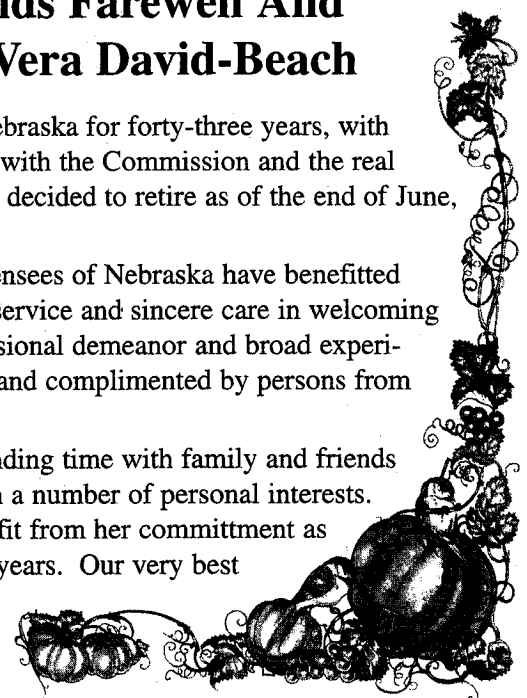
Your renewal materials will be mailed to your broker's main office address, unless you have informed us of your preferred contact address. Then the renewal will be mailed to the requested contact address. Please take care not to misplace these materials. We send them early in September so that you can renew early and not worry about it. Unfortunately, it appears that the September through November period gives lots of people time to lose their materials--replacing these materials is expensive.

Commission Bids Farewell And Best Wishes To Vera David-Beach

After serving the citizens of Nebraska for forty-three years, with thirty-five of these years working with the Commission and the real estate industry, Vera David-Beach decided to retire as of the end of June, 2001.

The citizens and real estate licensees of Nebraska have benefitted greatly from Vera's personalized service and sincere care in welcoming and assisting them. Vera's professional demeanor and broad experience has been widely recognized and complimented by persons from all over the world.

Vera is looking forward to spending time with family and friends and expanding her participation in a number of personal interests. There are many who seek to benefit from her commitment as the Commission has for so many years. Our very best wishes go with her.





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