Commissioner David Ptak Completes Term

Commissioner David Ptak, the Public member of the Nebraska Real Estate Commission, has completed his term. Governor Dave Heineman had appointed David Ptak to a six-year term on the Nebraska Real Estate Commission in 2009. David worked as General Counsel and Vice President of Human Resources at Northeast Community College in Norfolk, Nebraska, when appointed to the Commission, and continued his service when he transitioned to City Attorney for the City of Hastings midway through his term. David was honored at a retirement dinner at the Cornhusker Marriott in Lincoln on August 20. He will continue his work as Hasting City Attorney, now with his third Thursday of the month free, after his term ends. A replacement Commissioner has not yet been named at the time this newsletter went to press.

The Nebraska legislature passed a number of bills in 2015 that may affect your licensed practice:

**LB34 Carbon Monoxide Safety Act.** Requires working carbon monoxide alarms in residential property “that has a fuel-fired heater or appliance, a fireplace, or an attached garage.” The bill also requires information about compliance with the Carbon Monoxide Safety Act on the Seller Property Condition Disclosure Statement. **Effective Date:** January 1, 2017

**LB253 Acknowledgment of Purchase Agreements.** Eliminates the requirement that the signature of both spouses on purchase agreement for homestead properties be acknowledged before a notary. **Effective Date:** August 30, 2015

**LB375 BPOs and CMAs for Property Tax Appeals.** Expands the allowable use of broker price opinions and comparative market analyses to include such opinions rendered for property tax valuation appeal purposes. Such opinions, if performed for a fee, would require the statutory disclosure language found in §81-885-16(2). **Effective Date:** August 30, 2015

**LB324 Require Acknowledgements from Purchasers of Property in Sanitary Improvement Districts.** Requires the salesperson or broker on listed properties or the owners where there is no agent involved, to get an acknowledgment from the purchaser of property located within a sanitary improvement district that they understand that the property is located in the sanitary improvement district; sanitary and improvement districts are located outside the corporate limits of any municipality; residents of sanitary and improvement districts are not eligible to vote in municipal elections; and owners of property located within sanitary and improvement districts have limited access to services provided by nearby municipalities. The Commission has developed a sample form [http://www.nrec.ne.gov/pdf/forms/SIDacknowledgmentform.pdf](http://www.nrec.ne.gov/pdf/forms/SIDacknowledgmentform.pdf) which may be used for the acknowledgement, the acknowledgment may also be incorporated into the purchase agreement. **Effective Date:** August 30, 2015

Full text of the above legislation can be found on the Legislature’s website: [http://www.nebraskalegislature.gov/](http://www.nebraskalegislature.gov/) search by entering the bill number in the upper left hand corner.

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Commission Meeting Schedule

- Sept 17 ............ Lincoln
- October 15-16 ....... Lincoln
- November 19-20 ... Lincoln

RENEW

Online At

[www.nrec.ne.gov](http://www.nrec.ne.gov)
TILA/RESPA Changes

Effective October 3, 2015, the new Truth in Lending Act (TILA) and the Real Estate Settlement Procedures Act of 1974 (RESPA) Integrated Disclosure Rule goes into effect. The TILA/RESPA rules changes, which apply to most closed-end consumer credit transactions secured by real property (such as a traditional mortgage) change the requirements and terminology for the financial disclosure estimates that lenders must provide to the buyer/borrower. The rules, primarily aimed at lenders, will have a significant effect on real estate lending and closings. The Good Faith Estimate and HUD-1 that lenders must provide are replaced by the Loan Estimate and Closing Disclosure.

One of the other significant changes to the law is the three day notice requirement, which provides that certain loan information must be provided no less than three days before closing. Although the parameters of this requirement have been reported in a number of summaries as being far reaching, they are actually somewhat limited in scope, and basically the three day notice requirement is “retriggered” if you will, when changes are made the loan product itself (interest rate change, pre-payment penalty added, for example), not necessarily if there is some other change to the general terms of the contract.

The Consumer Finance Protection Bureau’s online resource for real estate professionals has more detail on the new law, and is written for licensees: [http://www.consumerfinance.gov/know-before-you-owe/real-estate-professionals/](http://www.consumerfinance.gov/know-before-you-owe/real-estate-professionals/).

New Agency Disclosure Forms

Our trust account examiners are telling me that they are seeing a significant number of errors on the new (effective May 1, 2015) agency disclosure forms. Please remember who you are talking to and filling out the form with. If you are a seller’s agent presenting the form to an unrepresented buyer you would simply initial the “Customer Only” box and then within that box check the statement that you are working for someone else as a seller’s agent. There are four types of agency relationship plus the customer relationship on the form, each with its own distinctive box to be initialed, only one of the five boxes should be initialed.

Thank You Mr. Ptak

For your six years of service as a the public member of the Nebraska Real Estate Commission.

Greg Lemon, Director
Nebraska Real Estate Commission
Disciplinary Actions Taken by the Real Estate Commission

(Does Not Include Cases on Appeal)

SC2014-001 - Commission vs. Chris Miller, d.b.a. Delta Real Estate Portfolio; Broker; Omaha, NE. Hearing held January 23, 2015. Miller must pay a civil fine of $4,000.00 by April 26, 2014; plus all requirements of CD2014-006, dated June 17, 2014, shall remain in full force and effect, and Miller is ordered to comply with all requirements of CD 2014-006. [Miller has not shown cause as to why he should not be subject to sanctions for failing to abide by the provisions of the Commission’s Cease and Desist Order, CD2014-006; Miller did knowingly and repeatedly violate the provisions of such Commission Cease and Desist Order by providing and offering to provide on the internet real estate brokerage and other property management services for Nebraska real estate that Miller and anyone associated with Delta REP did not own, without having an appropriate Nebraska real estate license on July 15, 2014, October 7, 2014, November 10, 2014 and January 6, 2015.]

2014-033 - Commission vs. Troy Arthur Trumm; Salesperson; Omaha, NE. Stipulation and Consent Order entered March 27, 2015. License suspended for six (6) months with the entire period stayed and served on probation, commenced on March 27, 2015 and continues through September 27, 2015; plus a civil fine of $1,000.00 to be paid by April 26, 2015; plus complete an additional six (6) hours of continuing education with three (3) hours each in the areas of Contracts and License Law by September 27, 2015. [Trumm violated Neb. Rev. Stat. § 81-885.24(12) Offering real estate for sale or lease without the knowledge and consent of the owner or his or her authorized agent or on terms other than those authorized by the owner or his or her authorized agent; by failing to get signatures of both property owners on the listing agreement for the subject property. Neb. Rev. Stat. § 81-885.24(29) Demonstrating negligence, incompetency, or unworthiness to act as a broker, associate broker, or salesperson, whether of the same or of a different character as otherwise specified in this section; by failing to have both property owners sign the listing agreement and verbally canceling the listing agreement with the property owners.]

2014-035 - Commission vs. Michael R. Crawford; Broker; Chadron, NE. Stipulation and Consent Order entered April 23, 2015. License suspended for three (3) years all stayed and served on probation, commenced on April 23, 2015 and continues through April 23, 2018; plus pay a civil fine of $2,500.00 by May 23, 2015; complete nine (9) hours of additional continuing education, three (3) hours each in the areas of agency, risk management and trust accounts by July 22, 2015. [Crawford violated 299 NAC 5-003.19 failure by any licensee to supervise persons hired to assist the licensee in his or her licensed real estate activities; for failing to supervise Danielle Fry leading to the theft of Trust Account monies; violated Neb. Rev. Stat. § 81-885.24(29) demonstrating negligence, incompetency, or unworthiness to act as a broker, associate broker, or salesperson, whether of the same or of a different character as otherwise specified in this section; for failing to supervise Danielle Fry leading to the theft of Trust Account monies.]

2015-001 - Commission vs. Todd S. Bartusek; Salesperson; Omaha, NE. Hearing held March 19, 2015. License suspended for three (3) years with the first eighteen (18) months served on suspension and the balance of the three (3) year suspension period stayed and served on probation. Suspension commenced on April 29, 2015 and continues through October 29, 2016. The probation period commences on October 30, 2016 and continues through April 29, 2018; plus if charged with another criminal offense at any time during the three (3) year suspension period and probationary suspension period, he will need to report such charge to the Commission and to his employing broker, within seven (7) days following the date of the incident resulting in the charge. If convicted of another criminal offense during the three (3) year suspension period and probationary suspension period, he will need to report (Continued on page 6)
The Commission’s online renewal service continues this year with little change from prior years. The online renewal form is pre-populated with your information as it currently exists in our database and you have the opportunity to check the information for accuracy and accept it as is or edit as needed, as well as verifying or updating other critical information in our database. All licensees are able to login to their licensee portal at any time but only those whose renewal is due this year will have access to the renewal pages. To check if you need to renew your license this year, login to our website, as explained below, if your expiration date shows 12/31/2015, you need to renew so please continue reading.

Licensee Portal

1. Login and Password information

To get to the portal you login from our homepage at www.nrec.ne.gov.

In order to login you will need to know your real estate license number and your password. If you do not know your password you can reset it from our website by clicking on the licensee login button in the upper right hand corner of the NREC homepage: http://www.nrec.ne.gov, then click on the “change password” link to have a temporary password E-mailed to you. Please follow the directions in the email to reset your password.

2. Review your Continuing Education and Errors & Omissions Insurance Information

If you need to renew your license this year, your continuing education needs to be complete and you need to have E&O insurance into 2016 unless you are renewing on inactive status. You will need to commit to providing the necessary information to our office before your license will be renewed.

Proof of completion of continuing education requirements will be submitted by the education providers as required by law. Please Note: Providers have, by law, 10 days to submit education verification to the Commission. However, if you have taken out of state courses or appraisal courses, those certificates will need to be sent to the Commission Office.

3. Designated Brokers Portal Information

Designated brokers will also want to review and renew their branch offices every year. Please remember that both the designated broker and the managing broker must be renewed on active status before the branch can be renewed.

The Commission will send an email to designated brokers in December indicating which of their affiliated licensees have not renewed. Designated brokers can check the renewal status of any of their affiliated licensees by checking the expiration date supplied on the list found on their portal.

No Renewal Packets!

We will be sending out renewal reminder postcards to those whose license is expiring this year. If you renewed for two years last year you will not need to renew this year and will not receive a postcard UNLESS you are a broker with branch offices, branch offices must be renewed annually. The postcard will be your only renewal notice. Failure to receive your renewal reminder postcard or a requested packet because it was lost in the mail or not personally delivered to you does not relieve you of your obligation to renew your license on time. We will provide paper renewal packets when absolutely necessary, but we strongly encourage all

(Continued on page 5)
Renewal 2016-17 (Cont’d)

licensees with Internet access to renew online.

The Renewal Process

Before starting your renewal, please read the online instructions.

The renewal application takes you through the step by step process for renewal and includes numerous stopping points so you can save your work and continue later. If you provide an affirmative answer regarding errors and omissions insurance claims, lawsuits, etc. have the details, as requested, ready to submit via narrative or attachment. All attachments must be in PDF format.

Final Review and Payment

When you complete entering the renewal information you will be taken to a review page that will allow you to look over what you have entered. Once you have completed your review and made any corrections, you will be taken to the payment portal where you can pay for your renewal via ACH payment or credit card (Visa, MasterCard or Discover). Print the confirmation page for your records. You will receive an email indicating that your renewal has been submitted. The email does not confirm renewal, that will be confirmed later.

Because there are many items on the renewal form that will still require review by Commission staff, such as lawsuit information or criminal charges, the renewal status indicated on your licensee portal will indicate “pending Commission’s approval.” Your renewal will not be complete until Commission staff have reviewed the form and given final approval, this process may take several days. Your credit card will not be charged pending final review, but you will probably see a notice of pending charge or charge authorization on your online statement after the renewal has been submitted.

Verification That License Has Been Renewed

After the renewal has been reviewed you will receive an email that will confirm the renewal has been approved OR that the renewal has been rejected and why it has been rejected. Finally, after you have succeeded in renewing and have received the email indicating approval of renewal, you will receive another email that contains your receipt card. PRINT YOUR RECEIPT CARD AND PUT IT IN YOUR WALLET!

DEADLINES!

November 30, 2015, is the statutory 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. If the renewal is complete and all necessary materials have been submitted, postmarks of November 30, 2015, will be honored. Postal meter marks will not substitute for postmarks!

Licenses held on inactive status must be renewed too. Inactive licenses are subject to the same deadlines and fees as described in this article.

Incomplete Applications

NO LICENSES WILL BE RENEWED UNTIL THE CORRECT FORM IS RECEIVED AND ALL INFORMATION REQUESTED IN THE APPLICATION IS SUPPLIED. There should be no questions left unanswered. If you are unsure as to how to complete your online or paper renewal, we will be happy to answer any questions you may have. INACCURATE OR INCOMPLETE RENEWALS MAY JEOPARDIZE THE TIMELY RENEWAL OF YOUR LICENSE AND COULD RESULT IN THE ASSESSMENT OF LATE FEES.

Late Renewals

Any salesperson or broker who fails to file a complete application for renewal of a license and pay the renewal fee by the deadline 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. Renewals which are late must pay, in addition to the renewal fee, the sum of twenty-five dollars for each month, or portion of month, beginning on December 1, 2015; the final deadline for late renewals is 5:00 P.M. (CDT) June 30, 2016.

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such a conviction to the Commission and to his employing broker, within seven (7) days following the date of the criminal conviction; plus a civil fine of $1,500.00 to be paid by April 29, 2015; plus complete an additional six (6) hours of continuing education with three (3) hours each in the area of Ethics by September 30, 2015; [Bartusek violated Neb. Rev. Stat. § 81-885.24(28) Conviction of a felony or entering a plea of guilty or nolo contendere to a felony charge by a broker or salesperson; by pleading guilty to a federal felony charge and being convicted of a felony; Neb. Rev. Stat. § 81-885.24(29) Demonstrating negligence, incompetency, or unworthiness to act as a broker, associate broker, or salesperson, whether of the same or of a different character as otherwise specified in this section; by pleading guilty to a federal felony charge and being convicted of a felony.]

2014-031 - Greg Lemon, Director vs. Daniel M. Malone; Broker; Omaha, NE. Hearing held April 23, 2015. License suspended until such time as the Commission receives and accepts proof that Malone has (A) completed the one (1) year term of supervised release imposed in the Case No. 8:12CR190; (B) paid in full all restitution imposed in the Case No. 8:12CR190; and (C) paid in full the fine imposed in the Case No. 8:12CR190, suspension commenced May 30, 2015; upon acceptance by the Commission of the proof of completion of the conditions Malone’s license shall be suspended for an additional period of three (3) years, with the entire period stayed and served on probation; plus a civil fine of $1,500.00 to be paid by May 30, 2015; plus if charged with another criminal offense at any time during the entirety of his suspension period and probationary suspension period, she will need to report such charge to the Commission and to her employing broker, within seven (7) days following the date of the incident resulting in the charge. If convicted of another criminal offense at any time during the entirety of his suspension period and probationary suspension period, she will need to report such a conviction to the Commission within seven (7) days following the date of the incident resulting in the charge; If convicted of another criminal offense during the three (3) year suspension period and probationary suspension period shall report such a conviction to the Commission within seven (7) days following the date of the incident resulting in the charge; If convicted of another criminal offense during the three (3) year suspension period and probationary suspension period shall report such a conviction to the Commission within seven (7) days following the date of the incident resulting in the charge; any violation of the laws administered by the Real Estate Commission will result in a Show Cause Hearing against him. [Malone violated Neb. Rev. Stat § 81-885.24(29) Demonstrating negligence, incompetency, or unworthiness to act as a broker, associate broker, or salesperson, whether of the same or of a different character as otherwise specified in this section by pleading guilty to a federal misdemeanor charge, and being convicted of said federal misdemeanor charge.]
Disciplinary Action (Cont’d)

information as the commission requires. Matzen submitted a materially false Renewal Application for the calendar year 2007; violated Neb. Rev. Stat. § 81-885.12 Licenses shall be granted only to persons who bear a good reputation for honesty, trustworthiness, integrity, and competence to transact the business of broker or salesperson in such manner as to safeguard the interest of the public and only after satisfactory proof of such qualifications has been presented to the commission. No license shall be granted to an applicant who will be conducting business through a corporation, partnership, or limited liability company unless any stockholder, partner, or member having a controlling interest therein, if any, bears a good reputation for honesty, trustworthiness, and integrity, by submitting a materially false Renewal application for the calendar year 2007; violated Neb. Rev. Stat. § 81-885.24(29) Demonstrating negligence, incompetency, or unworthiness to act as a broker, associate broker, or salesperson, whether of the same or of a different character as otherwise specified in this section, by submitting a materially false Renewal Application for calendar year 2007, and for having been convicted of Three DUI misdemeanors.]

**2014-019 - Commission vs. Janelle Marie Wise; Salesperson; Lincoln, NE. Stipulation and Consent Order entered August 25, 2015. License suspended for one (1) year with the entire suspension period stayed and served on probation. Probation commenced on August 25, 2015 and continues through August 25, 2016; plus pay a civil fine of $1,500.00; plus complete an additional six (6) hours of continuing education, three (3) hours each in the areas of Contracts and Ethics by November 23, 2015; Ms. Wise’s Notary License must be surrendered to the Nebraska Secretary of State’s Notary Division by September 24, 2015. [Wise violated Neb. Rev. Stat. § 81-885.24(29) Demonstrating negligence, incompetency, or unworthiness to act as a broker, associate broker, or salesperson, whether of the same or of a different character as otherwise specified in this section; for notarizing the Sellers’ signature on the Purchase Agreement dated October 11, 2013, when the Sellers never signed the Purchase Agreement, and for notarizing the Sellers’ signature on October 19, 2013, when the Sellers’ signed the October 16, 2013, Purchase Agreement on October 18, 2013.]**

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2015 Instructor Development Workshop A Success

On July 30-31, 2015, the Nebraska Real Estate Commission sponsored an Instructor Development Workshop at Southeast Community College’s Continuing Education Center in Lincoln, NE. The two-day event targeted all those educators and administrators providing real estate instruction at the Pre-licensing, Continuing Education, and Broker-Approved Training levels. Three professional development sessions were offered with 50 total educators attending.

Dr. Larry Fabrey, a psychometrician for Applied Measurement Professionals, Inc. the Commission’s contractual pre-licensing testing company, kicked off day one as he explained the background and construction of the licensing exam. Participants were pleased to be able to review 50 actual test questions and see comparative Nebraska results on those questions.

The Thursday afternoon session was held solely for providers of real estate education. Directors and Administrators reviewed the requirements, forms, and 2015 changes to Pre-licensing, Continuing Education, and Broker Approved Training. It was an enthusiastic group that tackled the mundane aspects of the paperwork involved in real estate education.

Mr. Mark Barker, Distinguished Real Estate Instructor (DREI) and owner of Career Education Systems Inc., instructed a full six-hour day on Friday. Topics included course design, checking for understanding, and active participation strategies. Mark had participants tuned in as he provided ideas for Continuing Education, directions for embedding YouTube videos, and suggestions to use Poll Everywhere to engage with each student even before class begins.

Reviews and comments for the two day workshop were very good. Because of the productivity of the event, Commissioners have approved the sponsorship of a one day workshop every year, rather than the prior every other year offering.
Are you managing real estate? Does your broker or branch manager know about it? Are you using a registered Trust Account? As examiners, one of the questions that we ask brokers is: Do you or your affiliated licensees manage any real estate other than your own? Licensee’s cannot manage any property for a third party without the authorization and knowledge of their designated broker. If your broker does give the okay, you must have a written management agreement with the owner which spells out your duties and responsibilities as well as your compensation. You will also need to provide the owner with an agency disclosure. Unless specifically addressed differently in the contract, rents will be deposited in a real estate trust account. Security deposits will also be maintained in a real estate trust account, unless specifically addressed differently in both the lease and management agreement. It should be noted that any cash payments must go into the trust account. Although not specifically required, it is recommended that the broker set up a separate trust account for rental payments and security deposits. Also keep in mind that all contracts will be in the name of the broker / company and not with an individual agent. Also keep in mind that although the broker is ultimately responsible, both the agent and the broker need to be competent in what they are doing and should take all necessary steps to insure this is done correctly.

If you have questions or concerns, contact the Commission office and ask for Greg Lemon, Duran Cell or John Clark, 402 471-2004.