



OREGON REAL ESTATE AGENCY BUDGET PRESENTATION

STEVE STRODE, REAL ESTATE COMMISSIONER

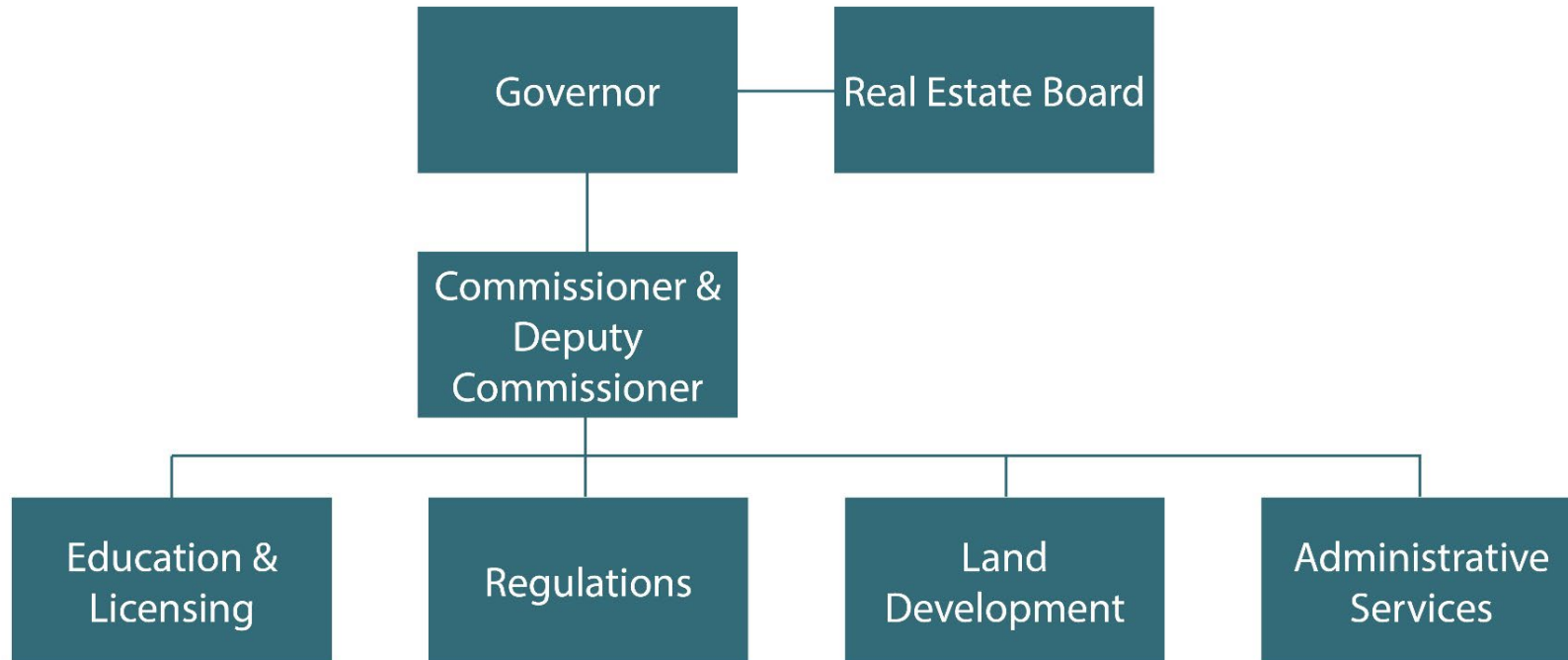
Joint Committee on Ways and Means
Subcommittee on Transportation & Economic Development

April 19, 2021

AGENCY'S MISSION

To provide quality protection for *Oregon consumers* of real estate, escrow, and land development services, *balanced with a professional environment* conducive to a healthy real estate market.





SUMMARY OF PROGRAMS



COMMISSIONER AND DEPUTY COMMISSIONER

- Engages with stakeholder community
- Sets Agency policy
- Determines disciplinary action for violation of statute and rules
- Directs and oversees the operation of the Agency



REAL ESTATE BOARD

- Appointed by the Governor
- Advises Commissioner and Governor's office
- Approves experience waiver requests
- Approves qualifications of continuing education providers
- Reviews proposed rulemaking
- Approves outline for Law and Rule Required Course



REGULATORY PROGRAM

- Investigates complaints
- Conducts interviews and gather documentation
- Prepares reports for administrative review
- Provide opportunity for settlement conference
- If unable to settle, respondent may present case to OAH



EDUCATION PROGRAM

- Coordinates the development and maintenance of exams
- Coordinates the development of educational guidelines
- Approves pre-license courses and instructors
- Approves post-license education courses
- Develops course outline for Law & Rule Required Course



LICENSING PROGRAM

Administers the following:

- Licensing of real estate brokers, principal brokers, property managers, and escrow agents
- Registration of business names, pre-license education providers, and unit owners' associations
- Certification of continuing education providers
- Online submissions of condominium filings



COMPLIANCE PROGRAM

- Intakes and reviews complaints
- Conducts compliance reviews
- Performs clients' trust account reconciliation reviews



LAND DEVELOPMENT PROGRAM

Reviews and approves filings related to:

- Condominium creation and sales
- Timeshare creation and sales
- Manufactured home subdivisions
- Membership campgrounds



GOAL #1

PRIORITIZING DIVERSITY, EQUITY & INCLUSION - SUPPORTING FAIR HOUSING EFFORTS

- Reduce barriers to licensure for those with limited English proficiency
- Explore Spanish language exam
- Expand hiring efforts, bi-lingual staff
- Translate publications in Spanish
- Participate in diversity conference
- Coordinate better with BOLI
- Serve on ARELLO Fair Housing Committee



GOAL #2

MEMORIALIZE & IMPROVE UPON EFFICIENCIES GAINED IN TELEWORK

- Online payments
- Condominium filings
- Complaint intake, case workflow, and storage
- Zoom interviews, settlement conferences, and hearings
- Electronic signatures



GOAL #3

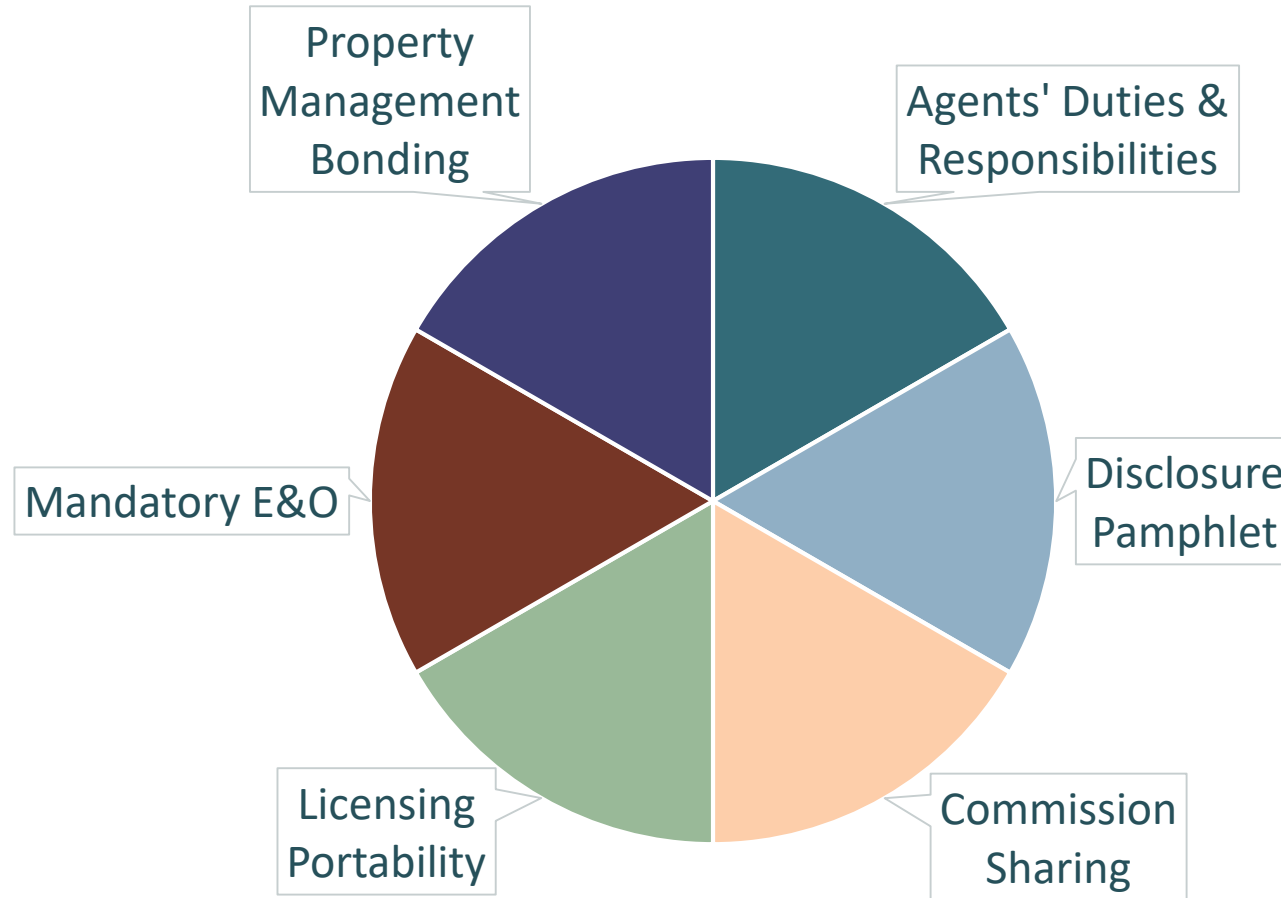
ELICENSE SYSTEM REPLACEMENT PLANNING

- Increase efficiency
- Provide customer better tools
- Prepare in early 2021-2023 biennium



GOAL #4

POSSIBLE CONSIDERATIONS FOR THE FUTURE



GOAL #4 - CONTINUED

Agents' Duties and Responsibilities

- Fiduciary responsibilities of broker to consumer

Disclosure Pamphlet

- Required at first contact
- Clarifies responsibilities
- No written acknowledgement required

Commission Sharing

- Oregon prohibits rebates to consumers
- Considered sharing commission with nonlicensed persons
- Currently subject to a lawsuit



GOAL #4 - CONTINUED

Licensing Portability

- Interest of ARELLO
- HB 3030 & SB 688

Mandatory E&O

- Consumer protection
- Exists in 30% of US/Canada jurisdictions

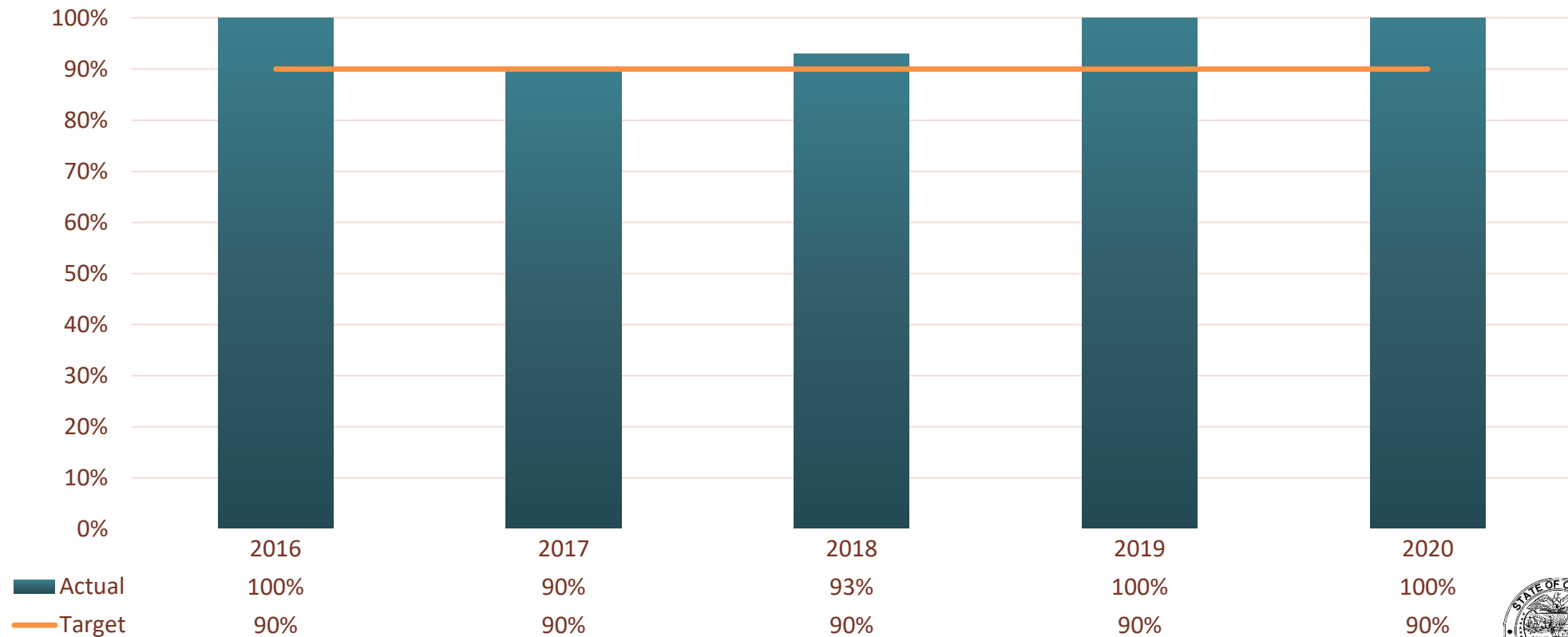
Property Management Bonding

- Similar to escrow agent requirement
- Possible burden on small business



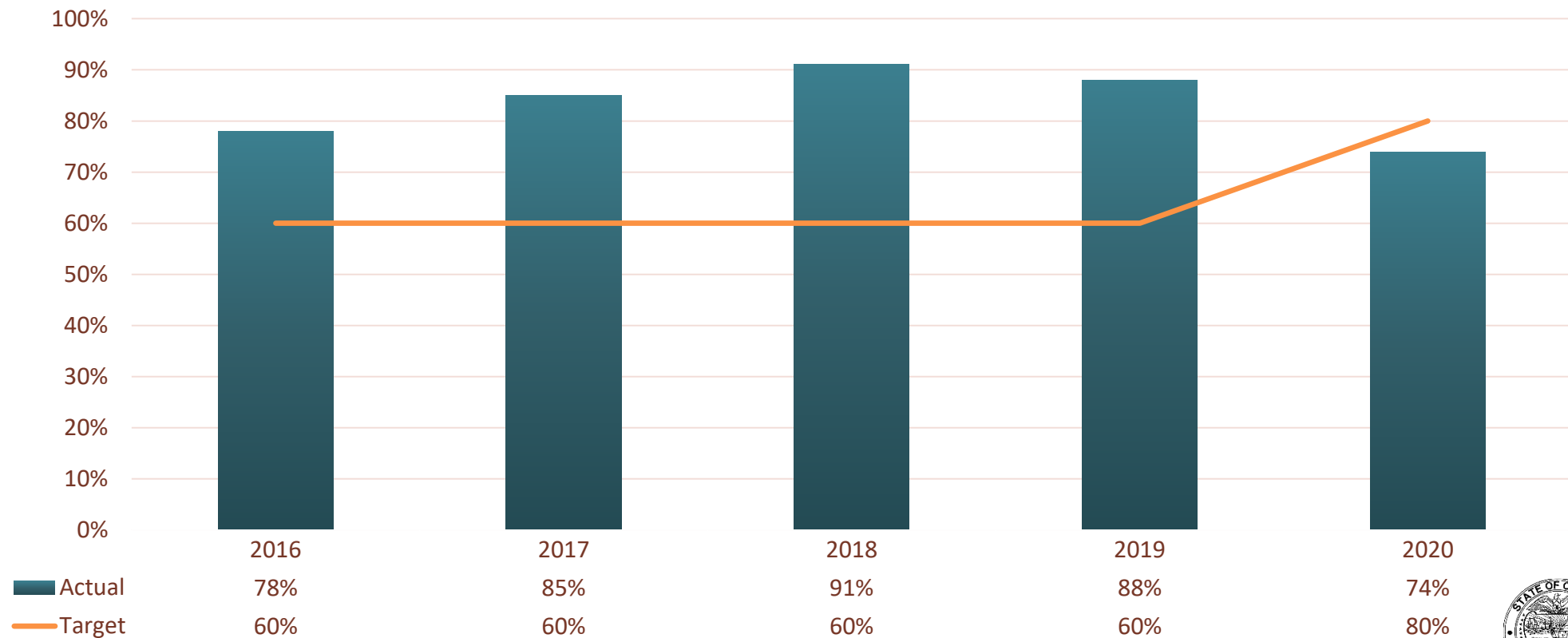
KPM #1

PERCENT OF PROPERTY MANAGERS & PRINCIPAL BROKERS WHO MET COMPLIANCE WITHIN 45-DAYS OF A COMPLIANCE REVIEW



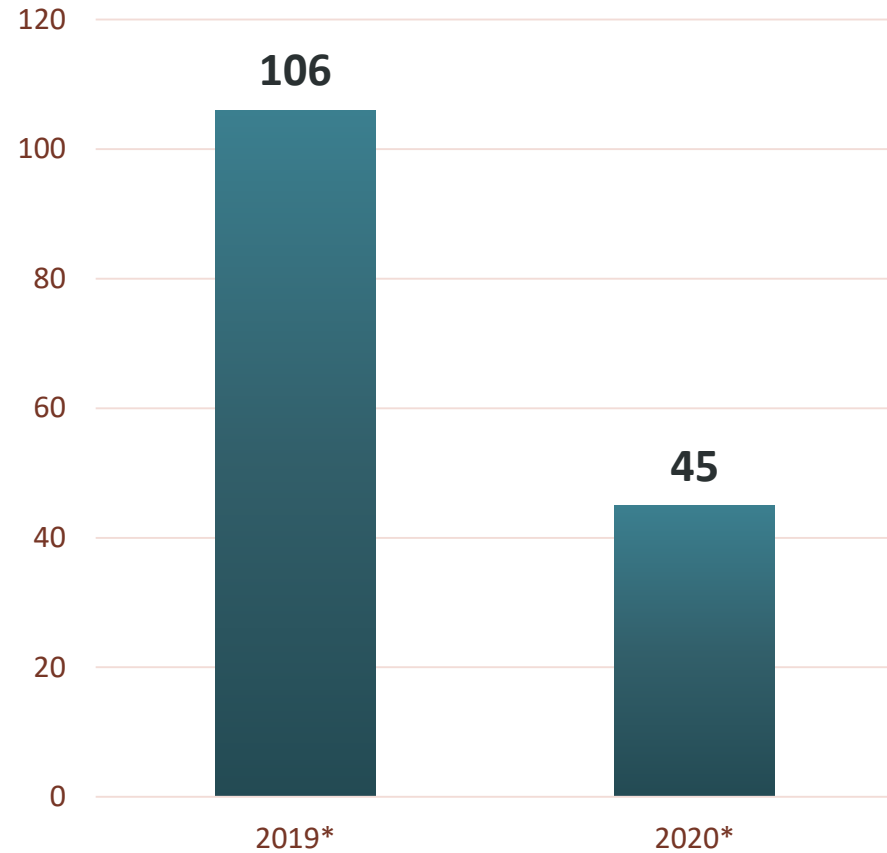
KPM #2

PERCENT OF INVESTIGATIONS COMPLETED WITHIN 150 DAYS OF RECEIPT OF COMPLAINT



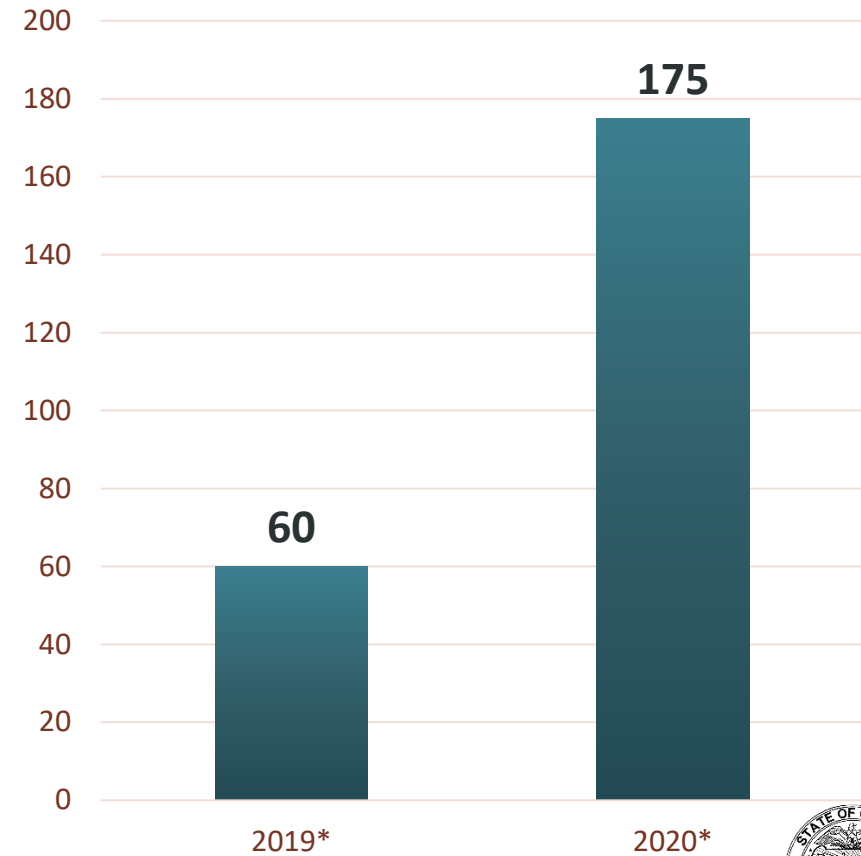
KPM #2 - CONTINUED

of Days to Complete Reviews



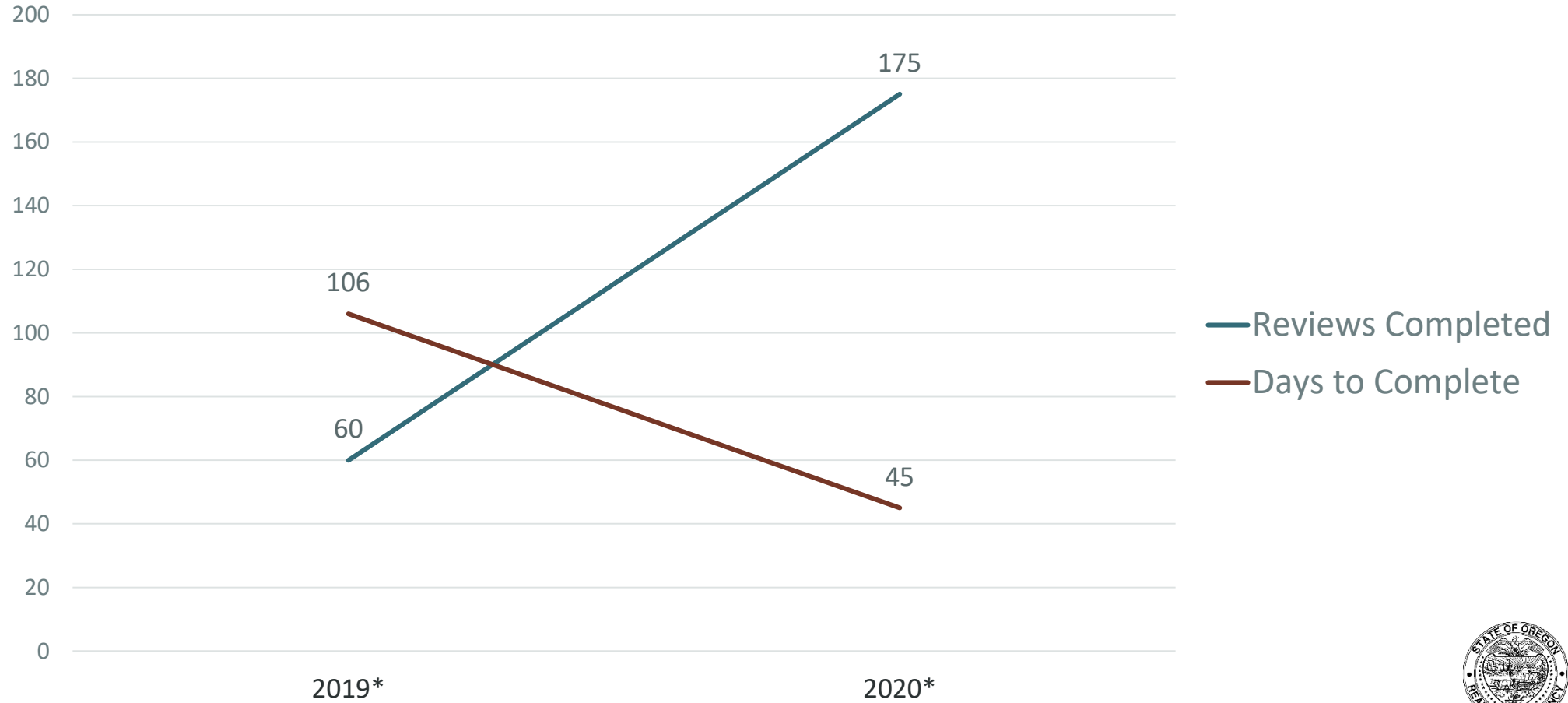
* March-December

of Reviews Completed



Oregon Real Estate Agency

KPM #2 - CONTINUED

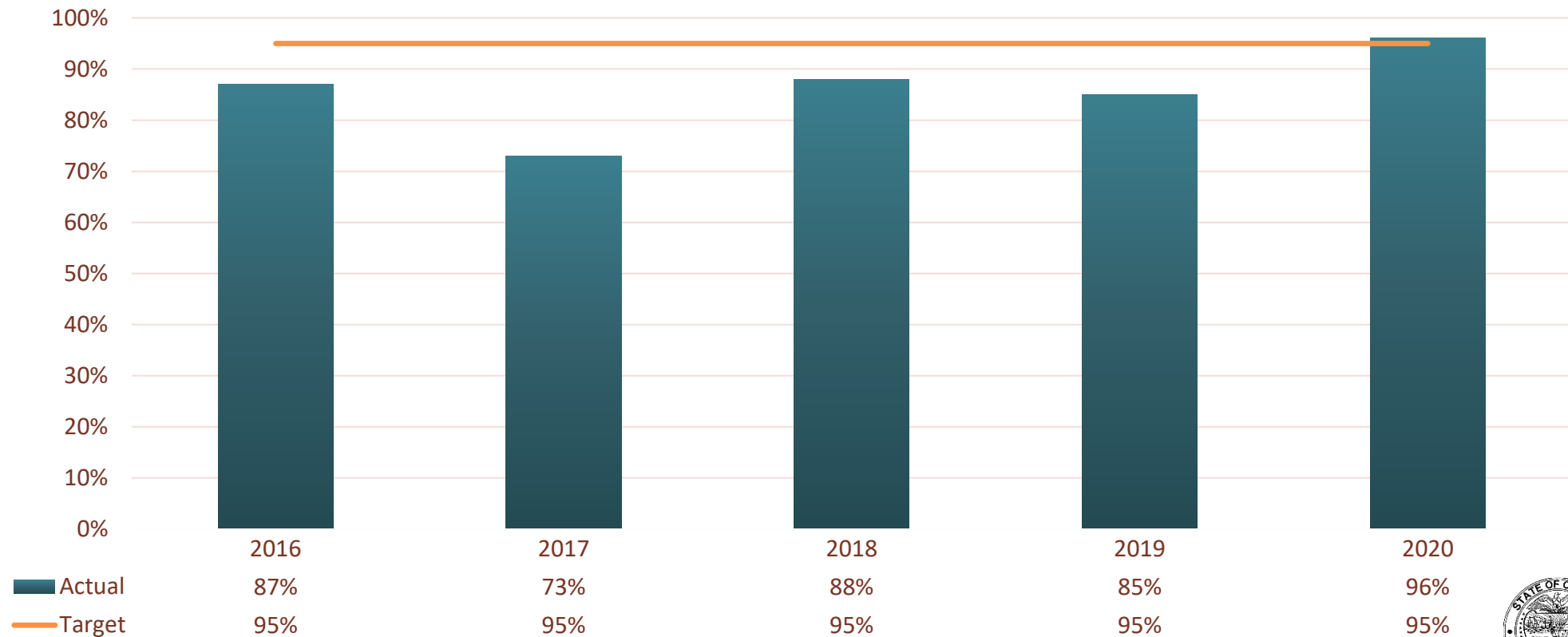


* March-December



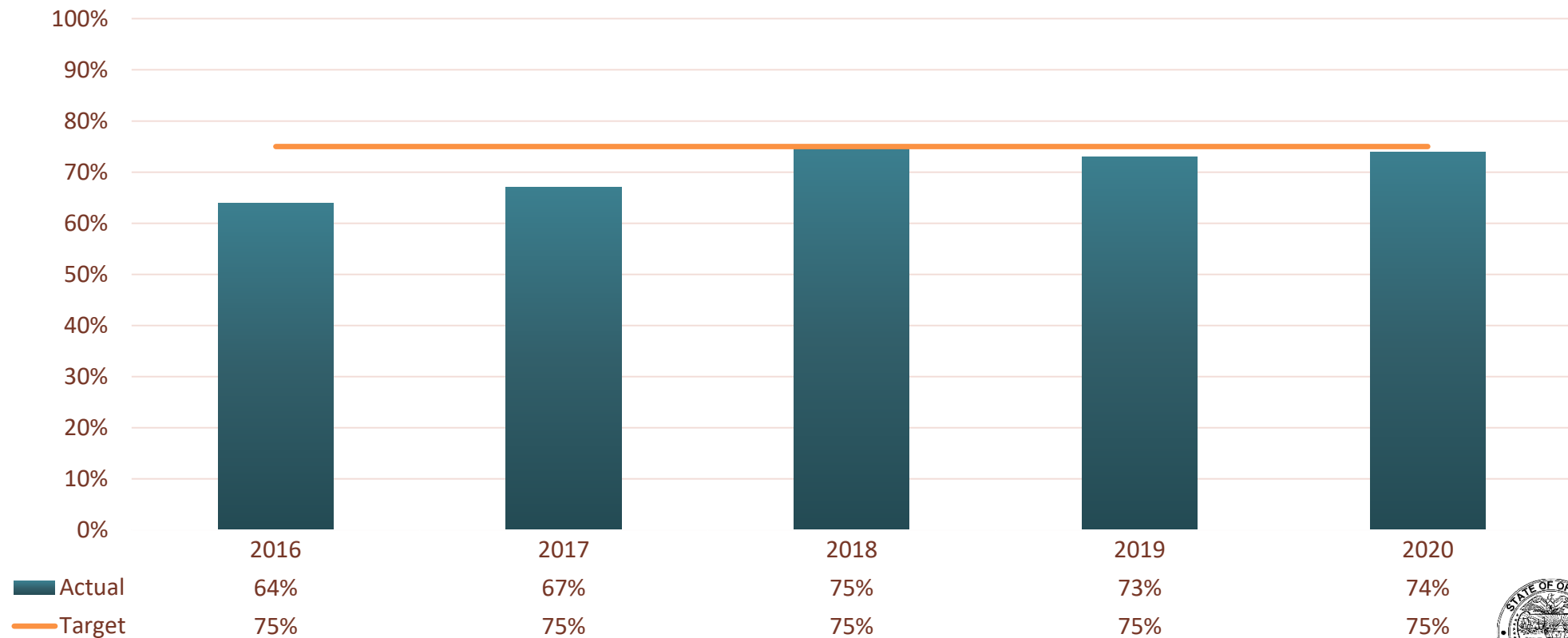
KPM #3

PERCENT OF CONTESTED CASE ACTIONS RESOLVED THROUGH INFORMAL SETTLEMENT RESOLUTION & PRIOR TO A FORMAL HEARING BEFORE OAH



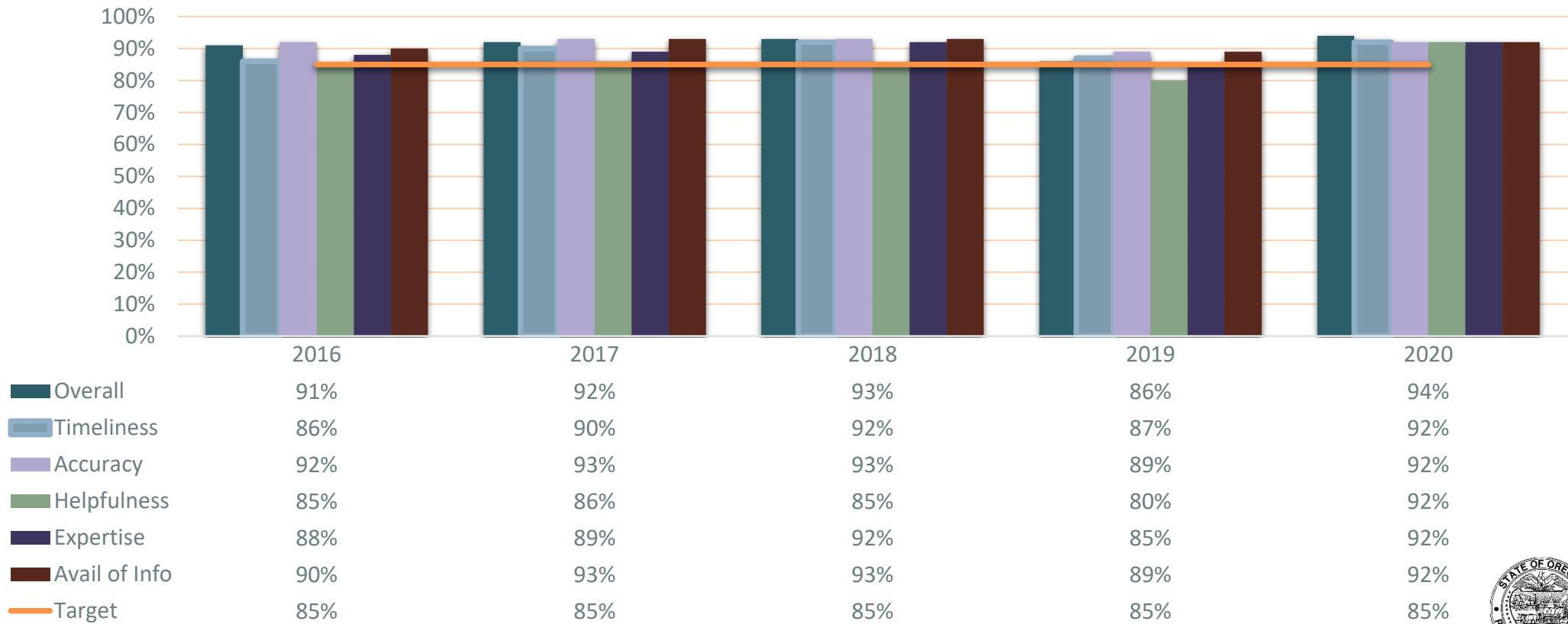
KPM #4

PERCENT OF LICENSEES WHO RATE THE EXAM AS “GOOD” OR “EXCELLENT” AS AN EFFECTIVE SCREEN FOR COMPETENT & ETHICAL PROFESSIONALS



KPM #5

PERCENT OF CUSTOMERS RATING THEIR SATISFACTION WITH THE AGENCY'S CUSTOMER SERVICE AS "GOOD" OR "EXCELLENT"



KPM #5 - CONTINUED

“Very friendly and respectful! Appreciate it!”

“Professional and polite”

“Exceeded expectations”

“Dependable”

“They are amazing, always helpful and informative.”



MARKET ENVIRONMENT

- Cyclical nature of real estate business
- Strong real estate market attracting new entrants
- COVID-19 affects
- Market rebound
- Severe market shortage → income potential → renewal rates
- Condominium filings trending downward

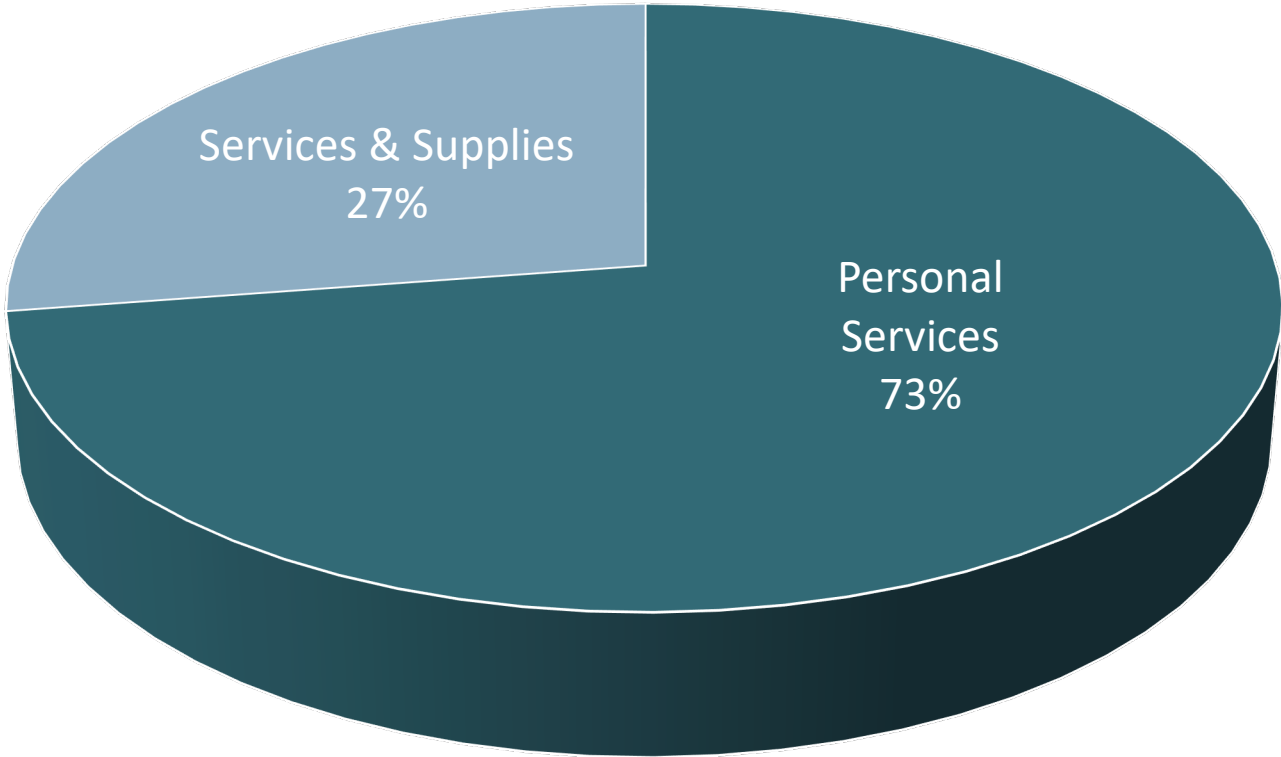


BUDGET DRIVERS

- 100% other-funded
- No major program changes
- Revenue
 - Increased applications
 - Steady renewal rates currently
 - Build for the future market cycles and eLicense replacement



Oregon Real Estate Agency
Governor's Budget 2021 - 2023



■ Personal Services ■ Services & Supplies

2021-2023
GOVERNOR'S
BALANCE
BUDGET

\$9,515,923



Oregon Real Estate Agency

THANK YOU

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