



Georgia

Real Estate

Commission

Fiscal Year 2015

Annual Report



**GEORGIA  
REAL ESTATE  
COMMISSION**

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**MEMBERS**

SCOTT FREE  
Chair

CLAYTON FOSTER  
Vice Chair

JOSH BONNER  
PAUL G. BROWER  
DAVID J. BURGE  
JERRY WARSHAW

**STAFF**

WILLIAM L. ROGERS, JR.  
Real Estate Commissioner

CRAIG COFFEE  
Deputy Real Estate Commissioner

January 11, 2016

The Honorable Nathan Deal  
Governor, State of Georgia  
Georgia State Capitol  
Atlanta, Georgia 30334

Dear Governor Deal,

Pursuant to the Official Code of Georgia Annotated §43-40-2 (g), I submit the Annual Report of the Georgia Real Estate Commission, ("the Commission," or the "Agency") for the fiscal year July 1, 2014, through June 30, 2015 ("FY 2015"). This report includes: (1) a summary of actions taken by the Commission; (2) a financial report of Income and Disbursements; (3) staff personnel; (4) the number of persons licensed by the Commission; and (5) steps taken in education and research to disseminate information so all licensees can be better informed to protect the public.

Since the Commission also provides administrative support for the Georgia Real Estate Appraisers Board (GREAB), I have included separate information concerning it though the budgets are combined.

FY 2015 ended with a real estate licensee population of 82,799. This is an increase of 316 licensees from FY 2014. FY 2015 ended with an appraiser population of 4,500. This is a decrease of 145 licensees from FY 2014. The licensee population increased slightly in FY15 as the number of individuals becoming licensed increased and this offset the number of individuals choosing not to renew a license.

By law, no general State tax revenues may be used to support our Agency's operations. All funding comes from license fees together with retained revenue (reimbursed for disciplinary actions) and penalty fees. With a slight increase in the licensee population in FY 2015, the Agency returned approximately \$765,211.00 surplus to the state.

Sincerely,

Scott Free  
Chair

# GEORGIA REAL ESTATE COMMISSION

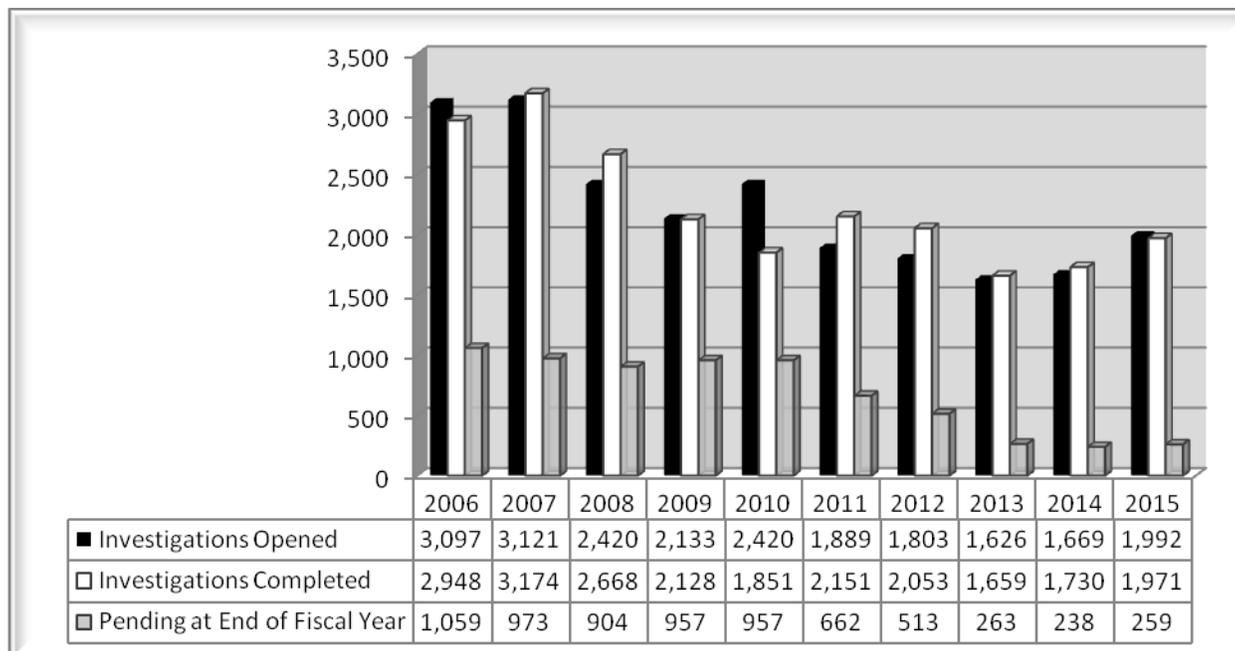
## GEORGIA REAL ESTATE APPRAISERS BOARD

### FISCAL YEAR 2015 ANNUAL REPORT

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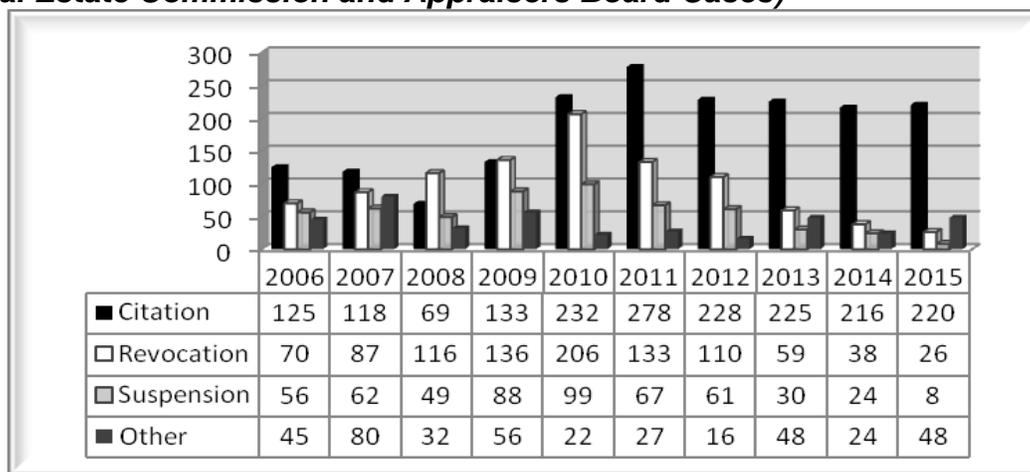
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## Agency Investigative Statistics by Fiscal Year (Includes Real Estate Commission and Appraisers Board Cases)



In addition to written Requests for Investigations, the Commission’s staff answers a number of questions daily, including complaints and inquiries received from telephone or walk-in individuals. The staff resolves most of these informal matters rapidly to the satisfaction of the public. Many complaints involve contract disputes and require legal assistance. In those instances, the staff recommends that the complaining party seek legal counsel or consider pursuing the matter in court for appropriate action.

## Agency Disciplinary Actions Imposed by Fiscal Year (Includes Real Estate Commission and Appraisers Board Cases)



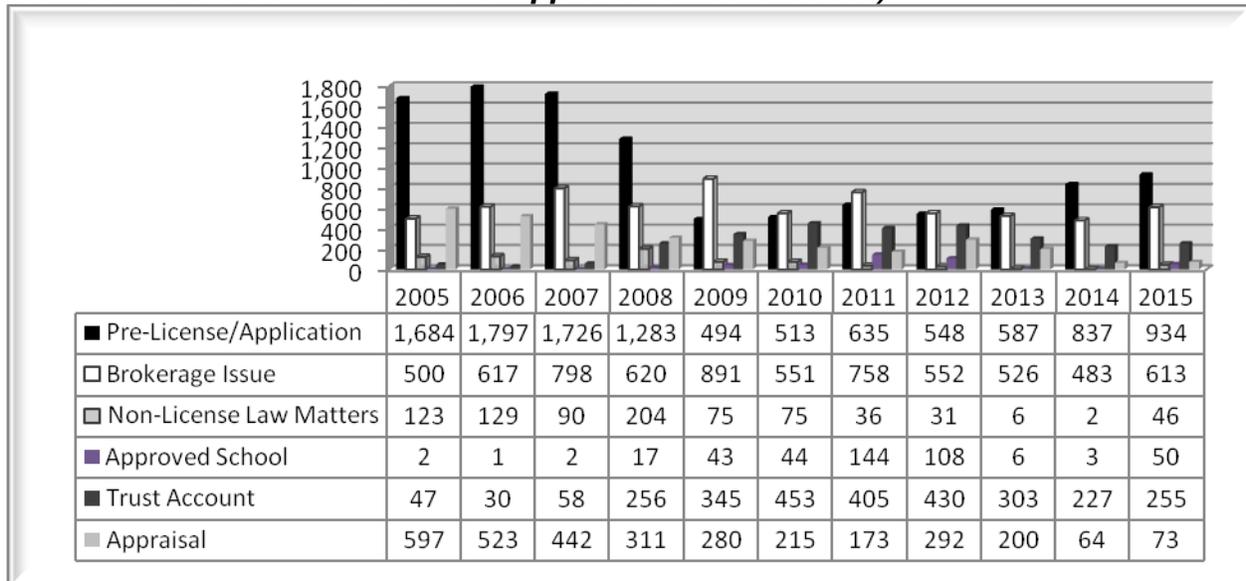
Disciplinary Actions include Citations (generally for less serious violations – 220 in FY2015) or Sanctions (for more serious violations – 82 in FY2015). The Commission also has an option to send “letters of findings” to licensees when an investigation reveals only technical license law violations that involve no harm to the public.

The Commission and Board make extensive use of Consent Orders to resolve contested cases. Where there is little dispute regarding the facts in a case and the parties agree on the sanction to be imposed, the Commission and Board use the Consent Order to save parties the time and the expense of a full, formal hearing before an Administrative Law Judge. Most cases are resolved without a formal hearing. Only 24 cases were heard before an Administrative Law Judge in FY2015.

### Fines and Disciplinary Costs Reimbursements Collected

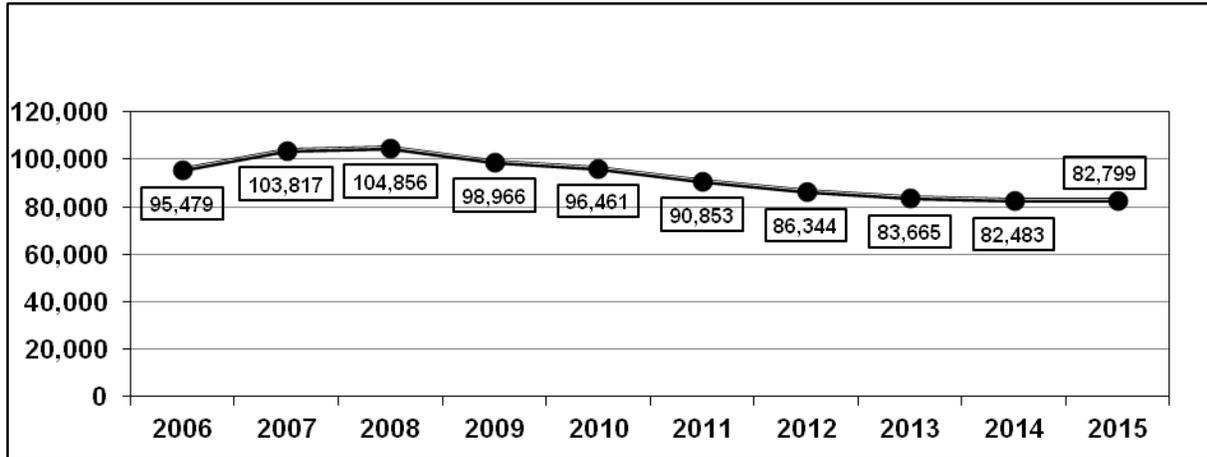
<b>GEORGIA REAL ESTATE COMMISSION &amp; APPRAISERS BOARD</b>			
	<b>GREC</b>	<b>GREAB</b>	<b>AGENCY</b>
<b>FINES</b>	\$29,400	\$4,500	\$34,202
<b>DISCIPLINARY COSTS REIMBURSEMENTS</b>	\$159,842	\$50,242	\$210,084

### Agency Investigations Completed by Fiscal Year and Type (Includes Real Estate Commission and Appraisers Board Cases)

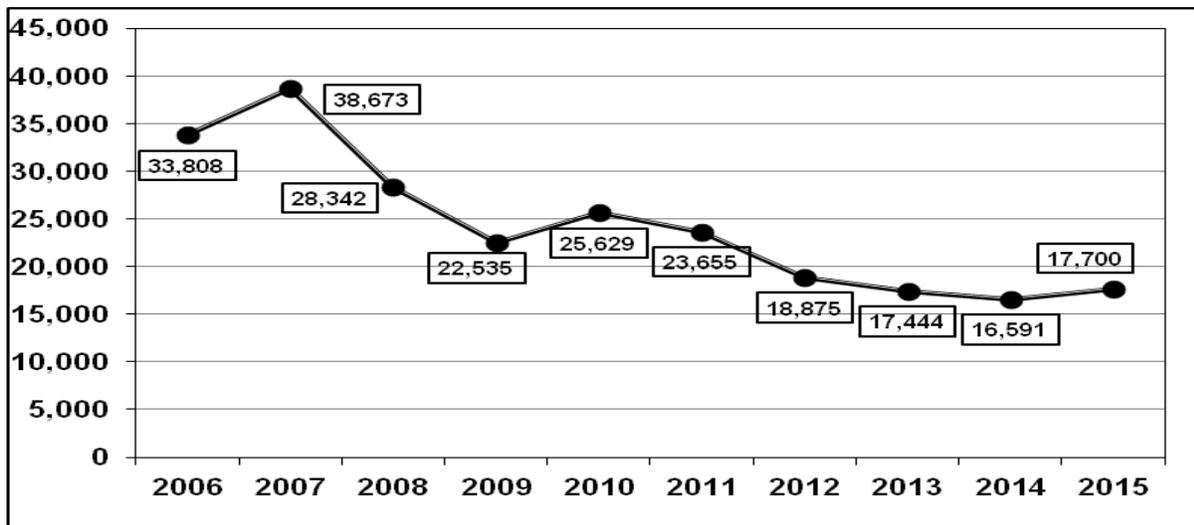




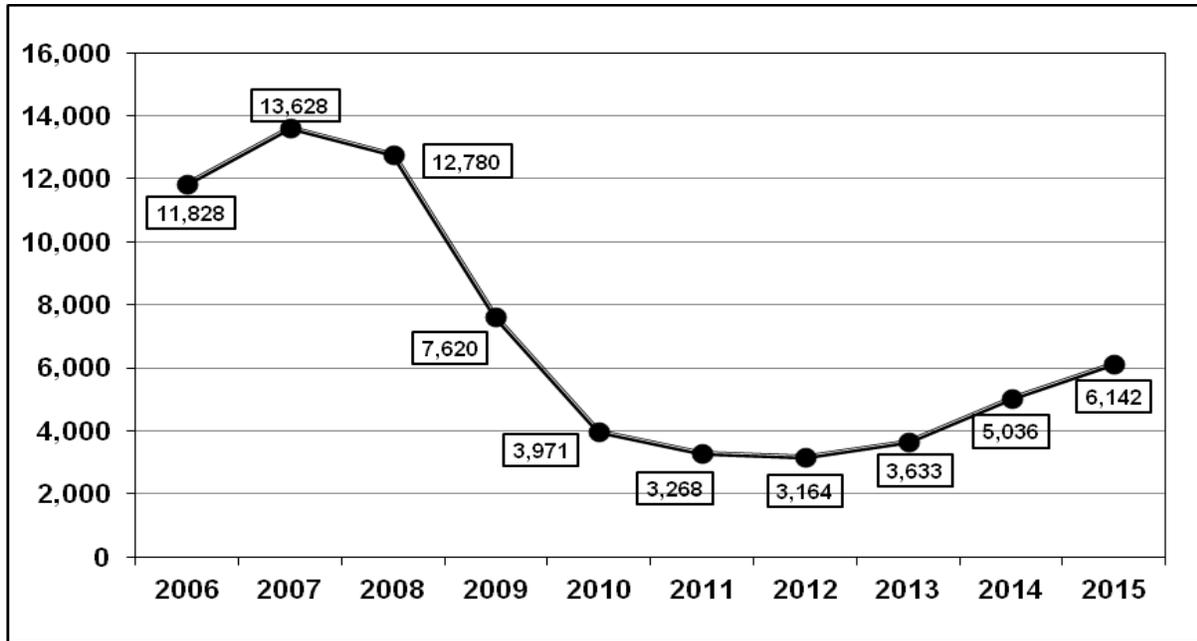
## Real Estate Licensees by Fiscal Year



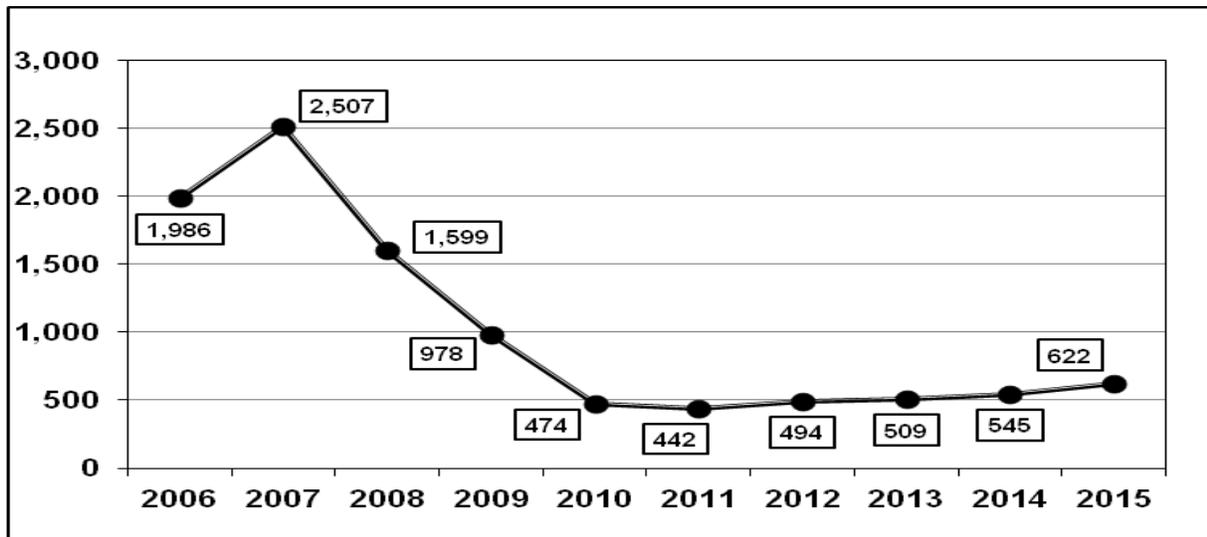
## Real Estate License Renewals by Fiscal Year



## New Resident Real Estate Licenses Issued by Fiscal Year



## New Non-Resident Real Estate Licenses Issued by Fiscal Year



## **Agency's Separate Budget Unit Status**

A 1977 court ruling and subsequently adopted state statutes require that the Commission's budget for direct and indirect costs approximately equal its revenue collections. Revenue collections are fees paid by licensees for both new licenses and the renewal of existing licenses. Direct costs include expenses for which the Commission directly pays; for example, salaries, rent, computer charges, administrative law courts and Special Assistant Attorney Generals (SAAGS) for legal work on disciplinary cases. Indirect costs include the Office of the Georgia Attorney General for additional legal work and the Georgia Secretary of State for Human Resources services. In past years, The Governor's Office of Planning and Budget (OPB) and the Legislative Budget Office (LBO) have instructed the Commission to base its proposed budget so that the State's appropriation to it equals approximately 85% of its income. The 15% difference retained by the State pays the indirect costs.

If the Commission's fee income significantly exceeds the State's appropriations to it, it must reduce fees charged to licensees. Conversely, if fee income falls significantly below the State's appropriations to it, the Commission must increase fees to licensees.

In 1990, the State of Georgia created the Georgia Real Estate Appraisers Board (GREAB). The Commission performs similar services for appraisers as it does for the real estate licensees. It regulates, educates and disciplines appraisers in the same manner as real estate licensees. The budget for the Commission includes the fee income and cost of the GREAB.

From the years 2000 through 2008 the fee income from real estate and appraiser licensees significantly exceeded the Agency's expenditures. This was due to a significant increase in new licensees. However, the licensee population started declining in 2008 and continued until FY15 which showed a slight increase of 171 licensees. In addition to the amounts appropriated by the State each year to the Commission, the Commission is allowed by law to retain revenue collected from disciplined licensees to reimburse the Commission for its administrative, investigative, legal costs and expenses ("Retained Revenue").

**Report of Revenues Collected and Amounts Expended by the  
GREC & GREAB for Amended FY 2015**

Revenue

\$3,559,881	Revenue from Real Estate Licensees (New, Renewals, Reinstatements, Penalty Fees & Recovery Fund)
(-\$ 136,900)	Required Deposit into Recovery Fund derived from New Real Estate Licensees
\$ 487,675	Revenue from Appraiser Classifications and Appraisal Management Company's (New, Renewals, Reinstatements & Penalty Fees)
\$ 493,473	Retained Revenues (Cost Reimbursement from Real Estate and Appraiser Licensees for Disciplinary Actions) <u>(Includes carryover of \$283,389 from a previous year)</u>
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\$4,404,129	Total Revenue of the GREC & GREAB

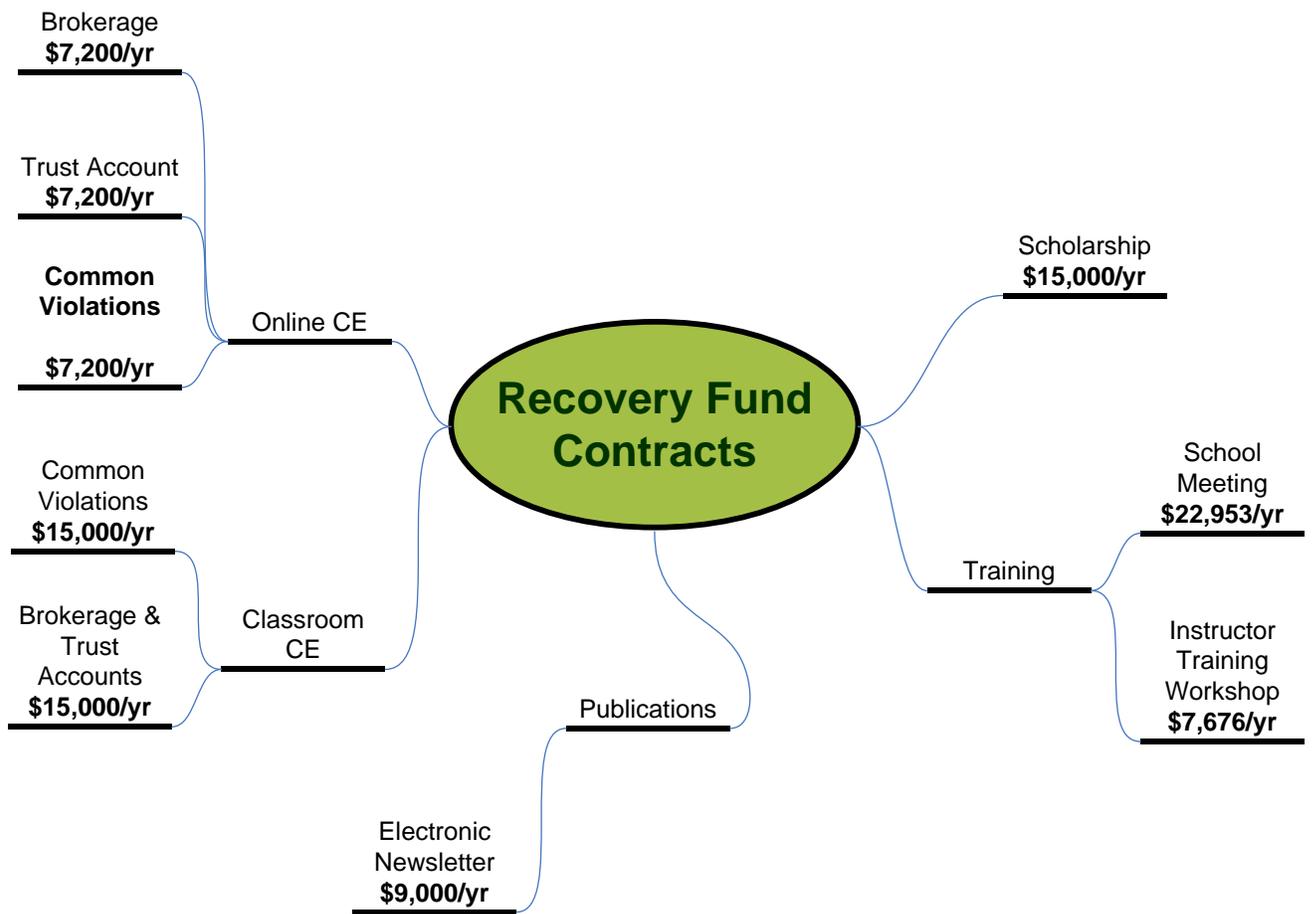
Expenditure (Note: Expenditures by the Commission are limited by law to funds appropriated from the State Legislature and Retained Revenues)

\$2,948,690	FY 2015 State Appropriation
<u>\$ 493,473</u>	Retained Revenues (Includes carryover of \$283,389 from a previous year)
\$3,442,163	Total Amount limited by law for spending by the GREC & GREAB
<u>(-\$3,264,297)</u>	Total Amount spent by the GREC & GREAB
\$ 177,866	Unspent Funds from Appropriated Funds and Retained Revenue
	Note: \$66,095 Deposited into State Treasury \$111,771 Carried forward to FY2016 for benefit of GREC & GREAB
<hr/>	
\$4,404,129	Total Revenue Collected by the GREC & GREAB
<u>(-\$3,442,163)</u>	Total Limited by Law for spending by the GREC & GREAB
\$ 961,966	Excess Revenue collected from Real Estate and Appraiser Licensees over Appropriated Funds and Retained Revenue
\$ 177,866	Unspent Funds from Appropriated Funds and Retained Revenue
<u>(-\$ 262,850)</u>	Estimated Cost of Human Resource services provided by the Secretary of State and of legal services provided by the Attorney General (Attorney General - \$177,850) (Secretary of State - \$85,000)
\$ 876,982	Estimated Excess Revenue from Real Estate and Appraiser Licensees
<u>(-\$ 111,771)</u>	<u>Retained Revenue Carried Forward to FY2016 for benefit of GREC &amp; GREAB</u>
\$ 765,211	Estimated Excess Revenue deposited into the State Treasury collected from Real Estate and Appraiser Licensees

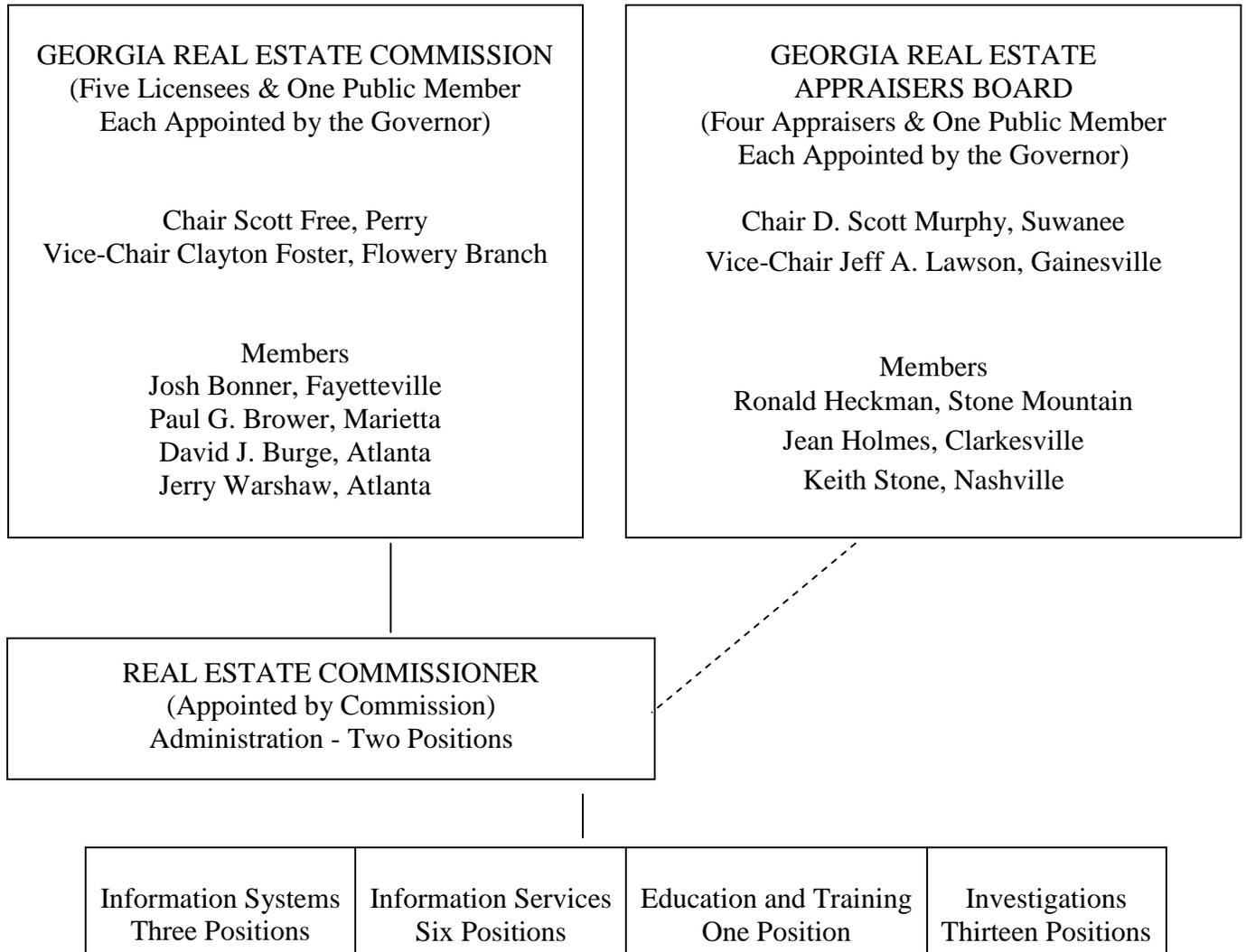
## Education, Research and Recovery Fund ("Recovery Fund")

The Recovery Fund is funded from a one-time \$20.00 fee for each original real estate license issued and any interest earned in the fund. The Recovery Fund is used to reimburse non-licensees who have been harmed by a licensee but cannot recover from the licensee after obtaining a judgment against the licensee through the courts. The fund is also used to underwrite the cost of developing real estate courses, conducting real estate seminars, conducting real estate research projects, publishing and distributing real estate educational material, and for education research programs for the benefit of real estate licensees and the public. The Commission is required by law to keep a minimum balance of \$1,000,000.00 in the Recovery Fund. At the end of FY 2015, the Recovery Fund balance was \$1,526,143.

Fiscal Year	Income		Disbursements				Balance
			Judgments Paid & Collection Costs		Education & Research Contracts		
	Licensee Payments	Interest Earned	Number of Judgments	Amount	Number of Contracts Awarded	Amount	
1974-2005	\$3,829,379	\$2,290,125	132	\$796,101	207	\$3,001,207	\$2,322,196
2006	\$329,060	\$63,430	1	\$5,155	10	\$218,620	\$2,490,911
2007	\$326,550	\$128,801	0	\$32	7	\$406,033	\$2,540,197
2008	\$181,460	\$83,668	0	\$0	4	\$212,204	\$2,593,121
2009	\$95,200	\$29,720	0	\$0	10	\$348,900	\$2,493,271
2010	\$96,238	\$6,498	0	\$0	10	\$324,491	\$2,276,422
2011	\$74,940	\$3,916	0	\$0	10	\$325,617	\$2,029,661
2012	\$73,520	\$3,205	0	\$0	11	\$357,411	\$1,748,975
2013	\$83,560	\$3,374	0	\$0	10	\$310,813	\$1,525,096
2014	\$112,660	\$4,182	0	\$0	8	\$150,866	\$1,491,072
2015	\$133,380	\$3,046	1	\$7,932	7	\$93,423	\$1,526,143



## Organizational Chart



### Permanent Employees and Their Years of Service as of June 30, 2015

William L Rogers, Jr., Real Estate Commissioner (Sworn in on 01/18/2011) (4)  
Craig Coffee, Deputy Real Estate Commissioner (14)

Frank Ambio (9), Projects Manager  
Jeff Angel (17), Systems Programmer 2  
Michelle Broadbelt (1) Information Specialist  
Audrey Brown (20), Investigations Area Supervisor  
Bess Buckley (19), Investigative Specialist  
Tiki Carter (3), Compliance Investigator  
Vivian Chang (14), Investigator II  
Deborah Dupree (29), Administrative Clerk  
Alan Gloer (31), Investigations Area Supervisor  
Tia Griffin-Barnes (8), Investigative Assistant  
Teresa Holder (18), Director of Information Systems  
Felicia Hubbard (21), Information Services Manager  
Letitia Jackson (4), Education Advisor

Chuck Jonaitis (5), Investigator  
Jennifer Jones (10), Administrative Clerk  
Diane Keys (14), Compliance Supervisor  
Josephine Lee (9), Auditor / Compliance  
Shin Shin Liu (14), Network Specialist  
Shonda Mason (16), Investigator  
Joanne Newton (10), Investigative Specialist  
Carol Robinson (2), Information Specialist  
Jon Snelling (3), Investigator  
Tiffany Turner (1) Information Specialist  
Margaret Wallace (8), Investigator  
Kimberley Wimby (15), Senior Information Specialist

# Strategic Plan

## The Agency’s Mission

The mission of the Georgia Real Estate Commission and the Georgia Real Estate Appraisers Board is to ensure professional competency among real estate licensees and appraisers and to promote a fair and honest market environment for them, their customers and clients, and the citizens of Georgia.

## The Agency’s Vision

For the public to encounter educated, knowledgeable, and ethical professionals and for those professionals to be able to obtain license renewals in an expeditious manner.

## Core Values

To protect the public in maintaining a fair and honest market for real estate transactions in Georgia.

<b>Agency Strategic Plan - Goals and Strategies Report</b>		
<b>Goal</b>	<b>Measurable Objective</b>	<b>State Goals</b>
Completion of a SQL based Licensing Database by 2018. This project is 50% completed and has 5 remaining modules that require between \$22,000 and \$142,000 to complete depending on the module.	Completed the "Application Shell and Log In" module.  Completed 85% of the work on the "Firms" module.	Build and maintain a quality state government workforce  Focus state resources on essential services and employ enterprise solutions
Georgia real estate and appraiser licensees will use well designed efficient online computer services to conduct business with the agency such as renewing licenses and changing firms.	Server Replacement Project – Replaced 10 agency network servers that run the computer system.	Build and maintain a quality state government workforce  Focus state resources on essential services and employ enterprise solutions.
Implementation of the 2015 changes to the Real Property Appraiser Qualification Criteria as established by the Appraiser Qualification Board of The Appraisal Foundation and overseen by The Appraisal Subcommittee.	Conducted federal background checks on applicants for real property appraiser classifications who have a criminal conviction (s) in a state other than Georgia.	Focus state resources on essential services and employ enterprise solutions  Promote safe communities and stable families where children thrive

## Results Based Budget Measures

### SECTION 1: PROGRAM RESULTS AND MEASURES

- 1.1. Agency Name:** Georgia Real Estate Commission  
Georgia Real Estate Appraisers Board
- 1.2. Program Name:** Regulation, through licensing, education, and disciplining of real estate licensees and real estate appraisers.
- 1.3. Program Purpose:** To protect the public and other licensees by regulating real estate licensees and real estate appraisers.

### SECTION 2: PROGRAM GOALS DESIRED RESULTS AND RESULTS MEASURES

- 2.1 Goal 1:** Real estate licensees and real estate appraisers will be qualified and provide competent service.
- 2.2 Desired Result 1.a:** Conducting investigations of the activities of licensees ensures professional competence and promotes a fair and honest market environment

<b>Actual Results 1.a Number of Agency Investigations Completed in a Fiscal Year</b>				
<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
<b>2,157</b>	<b>2,053</b>	<b>1,659</b>	<b>1,730</b>	<b>1,971</b>

**Desired Result 1.b:**

Georgia's passing rates on the qualifying examinations to be within 5 points of the average passing rates of other states giving the same examinations; thereby ensuring that persons successfully passing the exam are minimally qualified to practice real estate brokerage activities.

<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
8.0% above	6.0% above	8.0% above	7.0% above	7.0% above

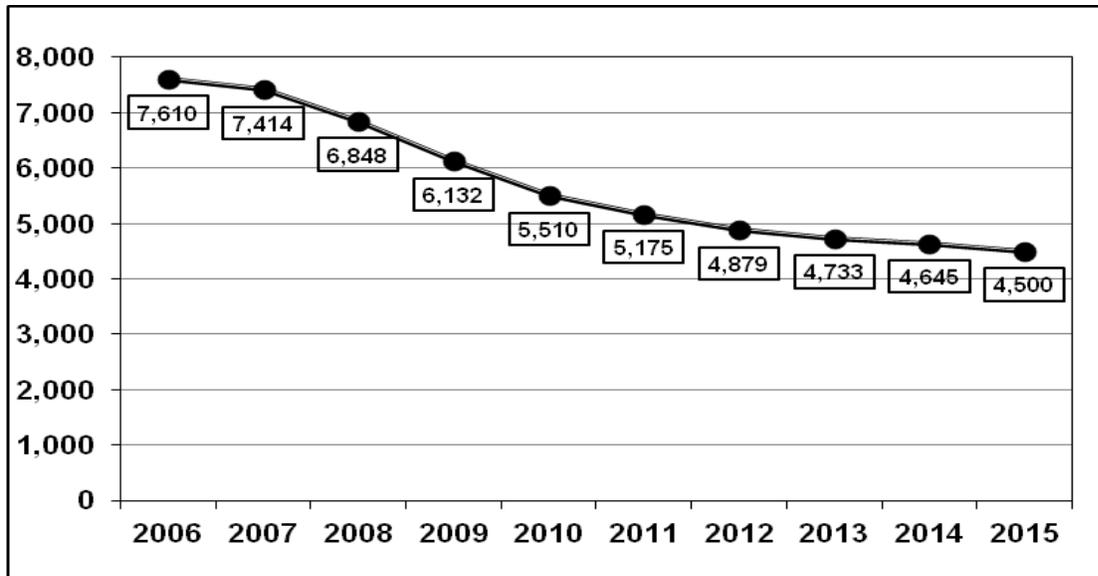
**Goal 2:**

Staff will process all applications submitted to the agency within five business days or less.

<b>Actual Results 2 Service Provided</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
All completed applications will be processed by the staff within five business days of receipt.	98%	99%	98%	97%	98%

# Georgia Real Estate Appraisers Board

## Appraisers by Fiscal Year



## GREAB Disciplinary Actions Imposed by Fiscal Year

