



Georgia

Real Estate
Commission

Fiscal Year 2012

Annual Report

GEORGIA REAL ESTATE COMMISSION

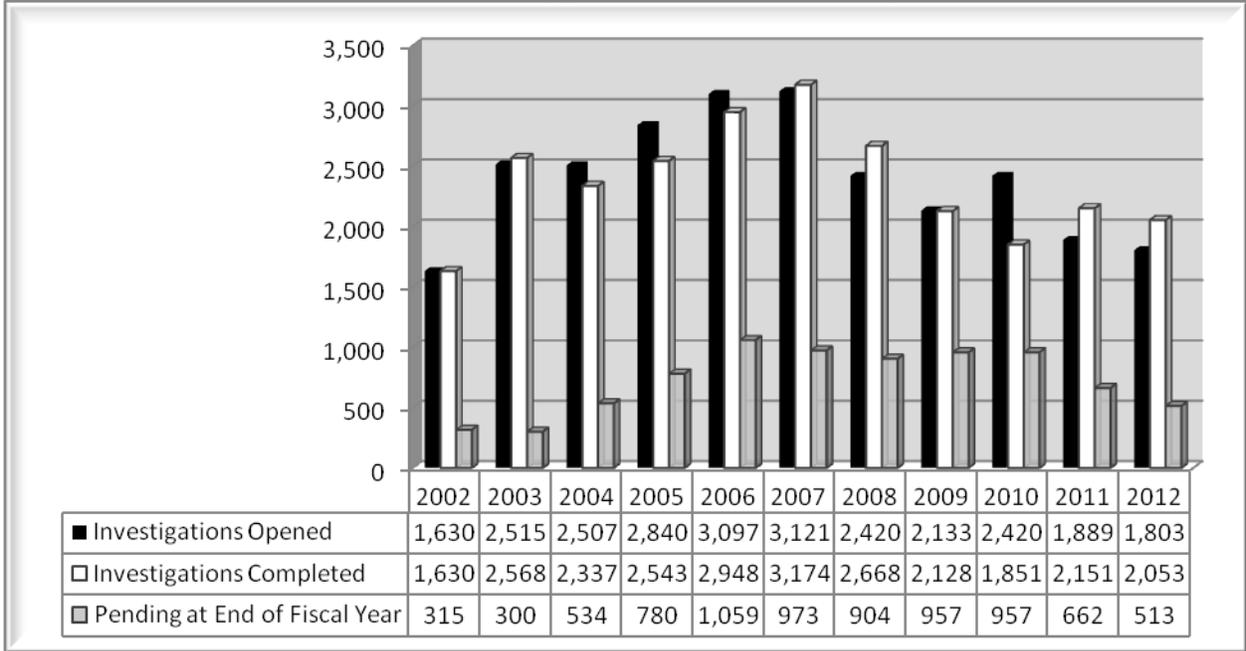
GEORGIA REAL ESTATE APPRAISERS BOARD

FISCAL YEAR 2012 ANNUAL REPORT

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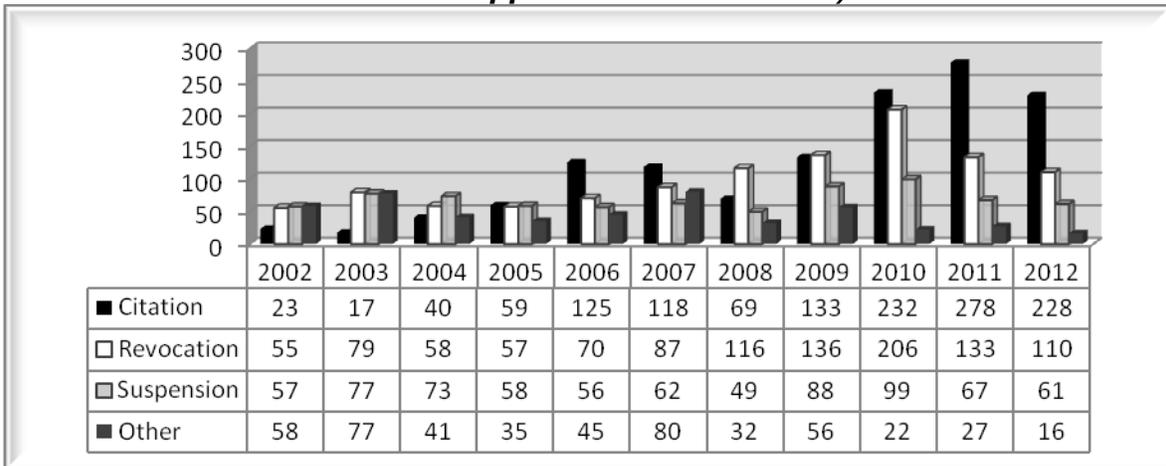
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Agency Investigative Statistics by Fiscal Year
(Includes Real Estate Commission and Appraisers Board Cases)



In addition to written complaints, the Commission’s staff processes a number of informal complaints daily, including grievances, and inquiries received from telephone or walk-in customers. The staff resolves most of these informal matters rapidly to the satisfaction of the public. Many complaints involve contract disputes and require legal assistance. 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)



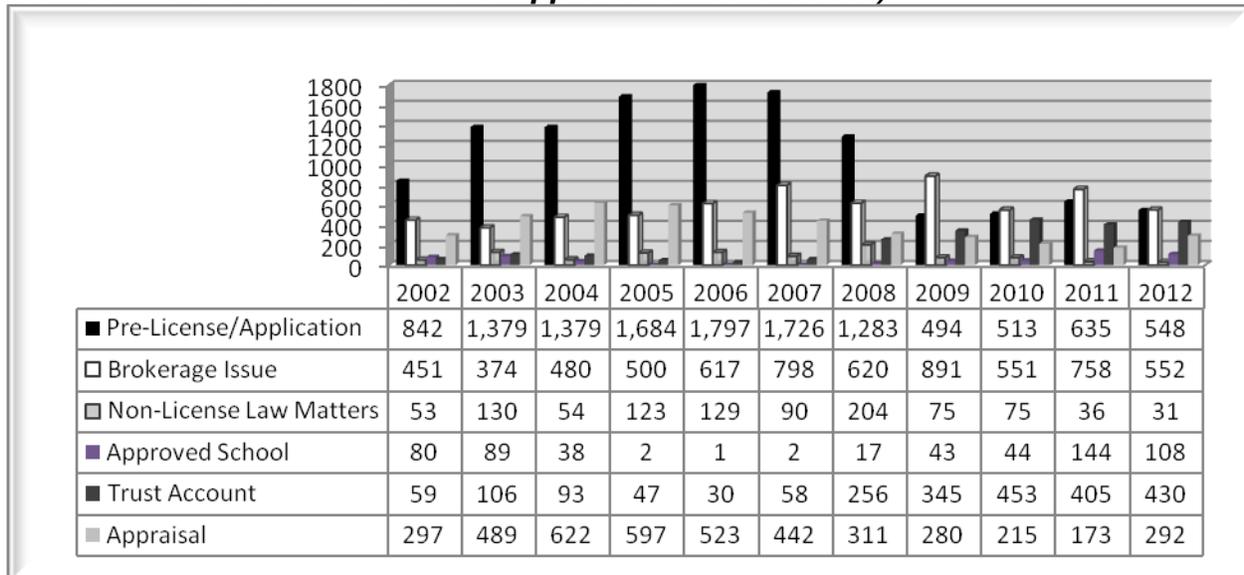
Disciplinary Actions include Citations (generally for less serious violations - 228 in FY2012) or Sanctions (for more serious violations - 187 in FY2012). The Commission also has an option to send “letters of findings” to licensees when an investigation reveals only technical license law violations that involve no harm to the public.

The Commission makes extensive use of consent decrees 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 uses the consent decree 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.

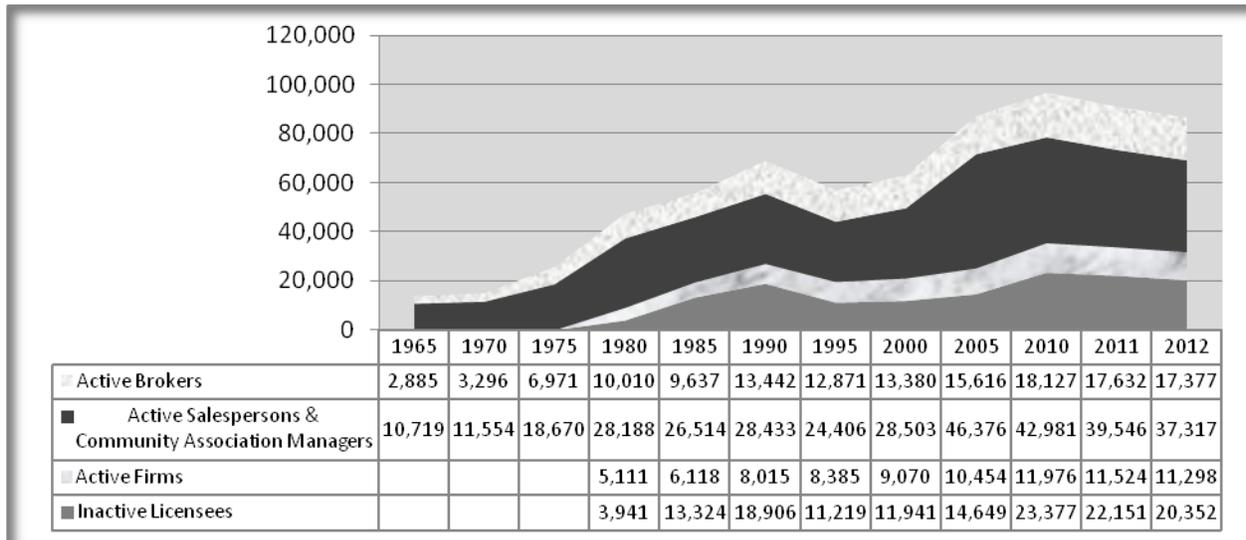
Fines and Disciplinary Costs Reimbursements Collected

GEORGIA REAL ESTATE COMMISSION & APPRAISERS BOARD			
	GREC	GREAB	AGENCY
FINES	\$24,400	\$11,600	\$36,000
DISCIPLINARY COSTS REIMBURSEMENTS	\$116,500	\$91,550	\$208,050

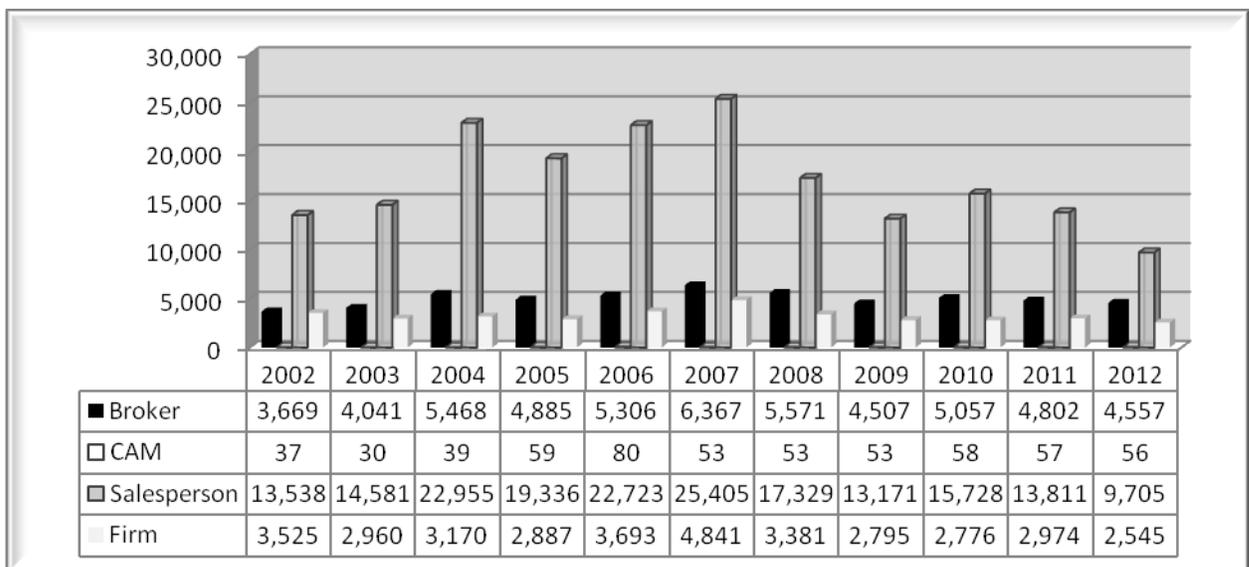
Agency Investigations Completed by Fiscal Year and Type (Includes Real Estate Commission and Appraisers Board Cases)



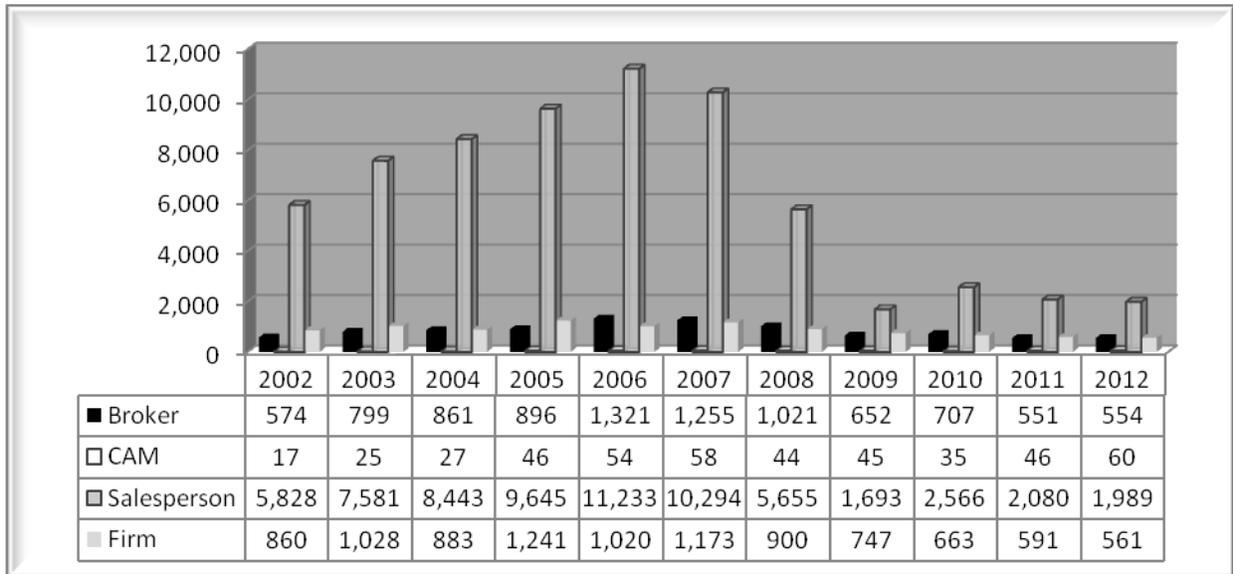
Real Estate Licensees by Fiscal Year and License Type



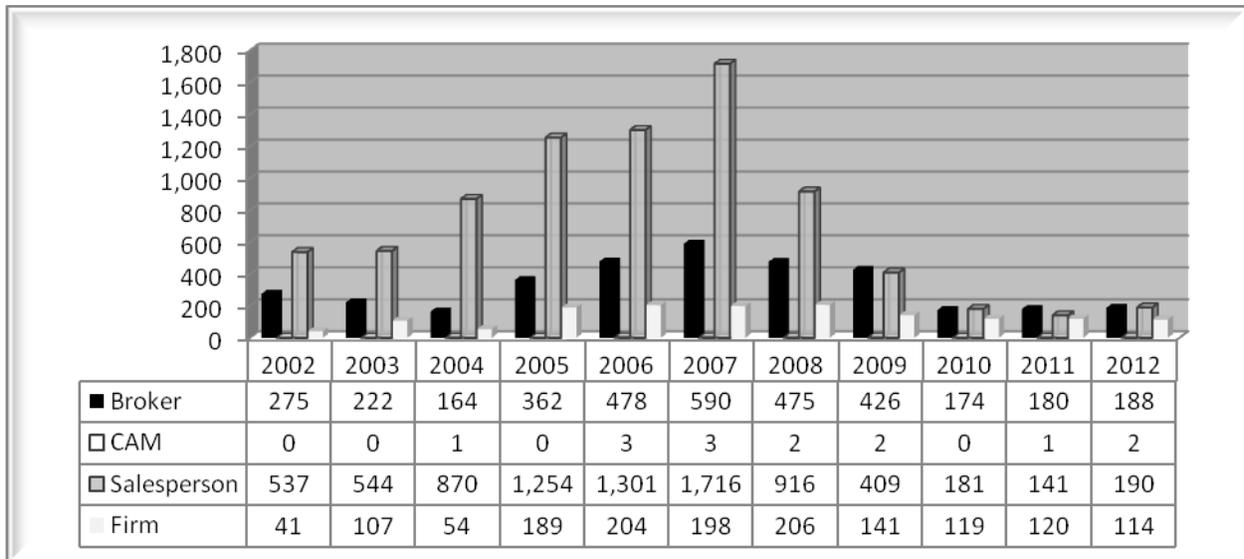
Real Estate License Renewals



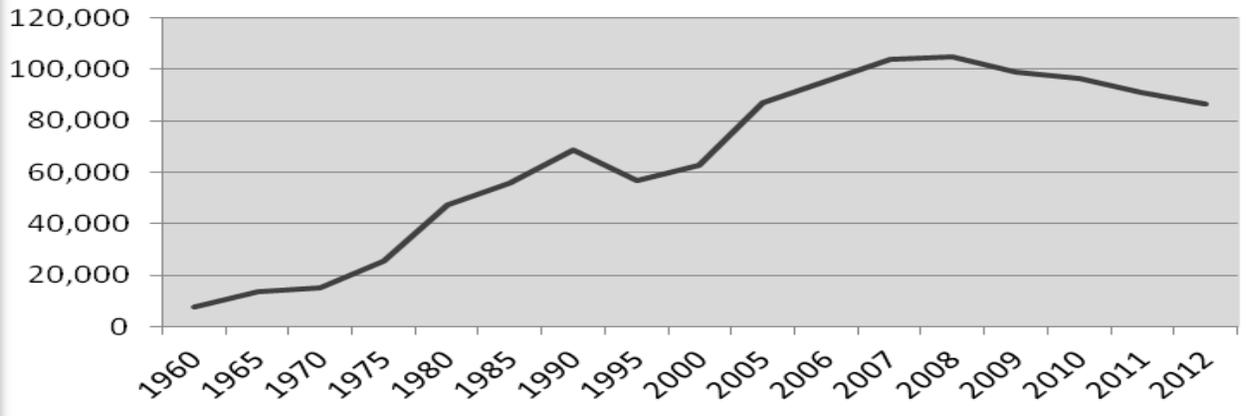
New Resident Real Estate Licenses Issued



New Non-Resident Real Estate Licenses Issued



Real Estate Licensee Population 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 original and renewals of licenses. Direct costs include expenses for which the Commission directly pays; for example, salaries, rent, computer charges, administrative law courts and specially assigned Attorney General's (SAAG's) 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. 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 is continuing to do so. 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 Revenue Collected, Amount Allocated for Expenditures and Disbursements for Amended FY 2012 for the GREC

Revenue

\$2,752,189	Revenue from Real Estate Licensees (New & Renewals)
(-\$ 73,520)	Paid into Recovery Fund from New Real Estate Licensees
\$ 521,450	Revenue from Appraiser Classifications and AMC's (New & Renewals)
\$ 279,025	Retained Revenues
<u>\$ 36,000</u>	Fines Generated from Disciplinary Actions
\$3,515,144	Total Revenue generated by the GREC

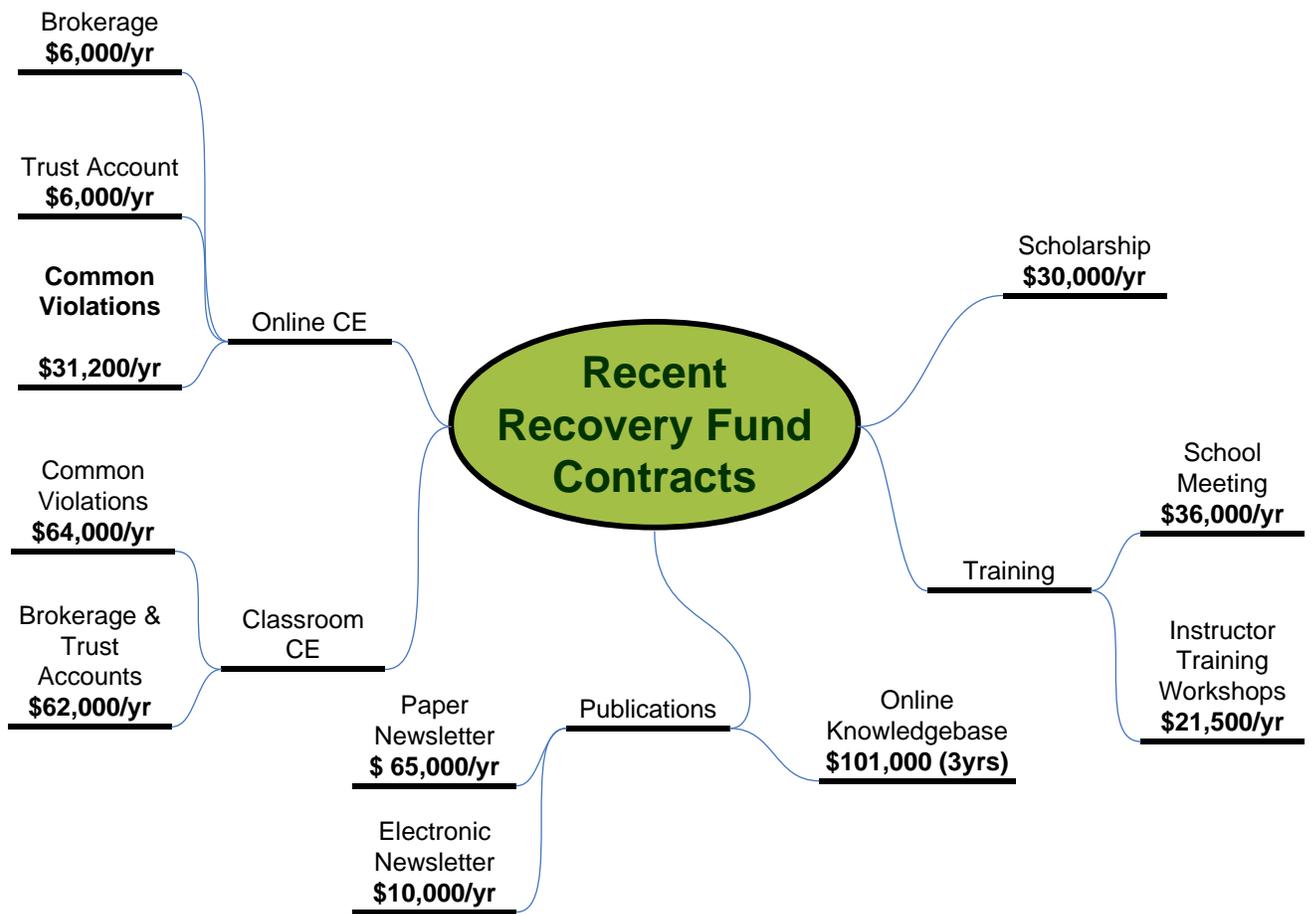
Disbursements (Note: Disbursements by the Commission are limited by law to appropriated funds from the State Legislature plus Retained Revenues)

\$2,903,777	Amended FY 2012 State Appropriation
<u>\$ 279,025</u>	Retained Revenues
\$3,182,802	Total Amount Limited by law for spending by the GREC
<u>-\$3,134,051</u>	Total spent by the GREC
\$ 48,751	Unspent Funds from Appropriated Funds and Retained Revenue
	Note: \$21,740.46 Paid into State Treasury \$27,009.92 Carried forward to FY2013 for benefit of GREC
<hr/>	
\$3,515,144	Total Revenue generated by the GREC
<u>-\$3,134,051</u>	Total spent by the GREC
\$ 381,093	Excess Revenue paid to the State Treasury from Real Estate and Appraiser Licensees
<u>-\$ 262,850</u>	Estimated Cost for HR services provided by the SOS & for legal services provided by the AG (AG - \$177,850) (SOS - \$85,000)
\$ 118,243	Estimated Excess Revenue paid to the State By Real Estate and Appraiser Licensees
<u>\$ 21,740.46</u>	Unspent State Funds
\$ 139,983.46	Total Estimated Revenue paid to the State Treasury

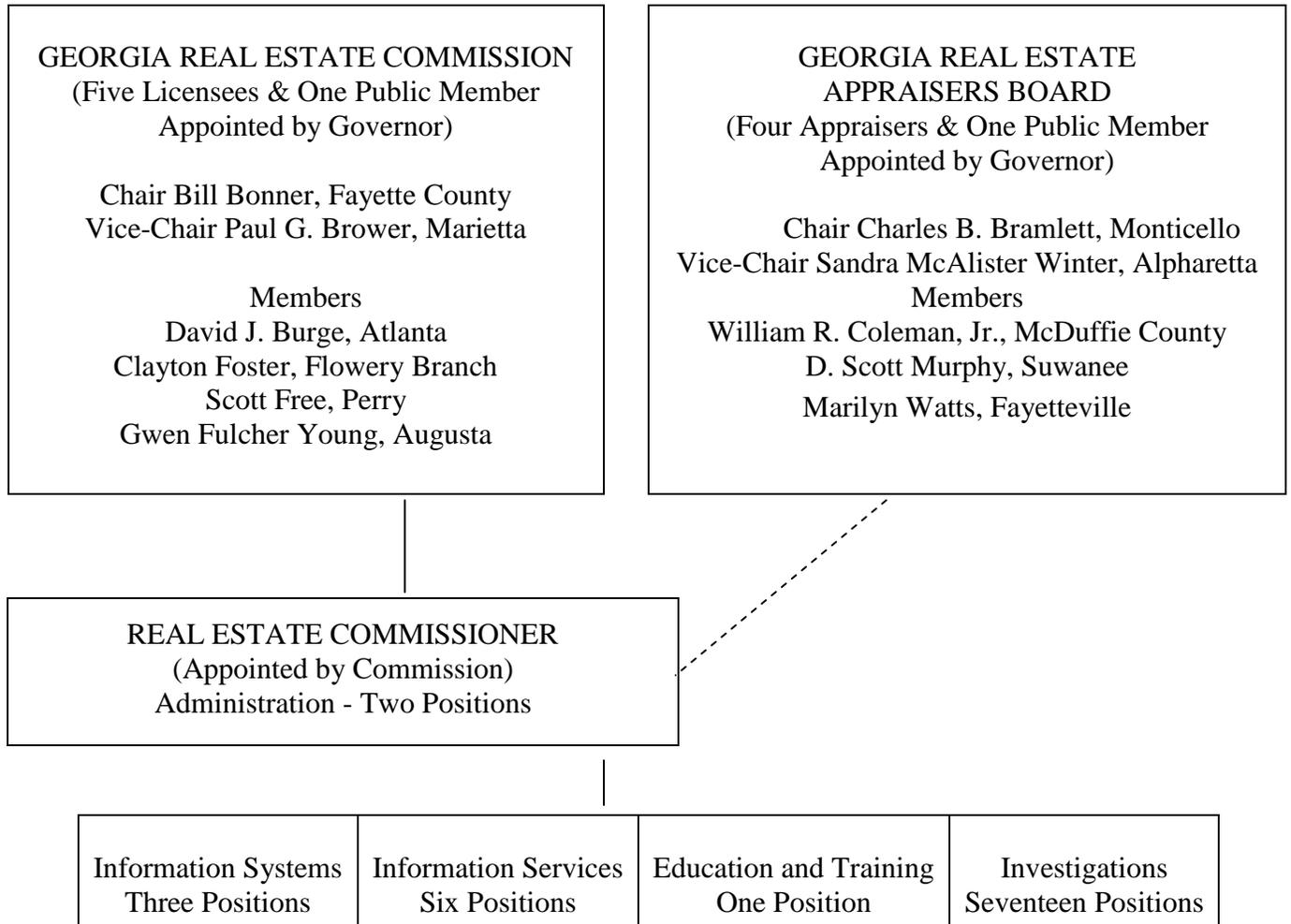
Education, Research and Recovery Fund ("Recovery Fund")

The Recovery Fund is funded from a one-time \$20.00 fee for each original real estate license issued and any interest earned. 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 2012, the Recovery Fund balance was \$1,748,975.

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



Organizational Chart



Permanent Employees and Their Years of Service as of June 30, 2012

William L Rogers Jr., Real Estate Commissioner (Sworn in on 01/18/2011)
 Craig Coffee, Deputy Real Estate Commissioner (11)

Frank Ambio (6), Information Services Manager
 Jeff Angel (14), Systems Programmer 2
 Audrey Brown (17), Investigations Area Supervisor
 Bess Buckley (16), Investigative Specialist
 Vivian L. Chang (11), Investigator II
 Marshall Clark (6), Investigator
 Deborah Dupree (26), Administrative Clerk
 Charlotte Durant (15), Education Advisor
 Delories Gibson (24), Compliance Manager
 Alan Gloer (28), Investigations Area Supervisor
 Tia Griffin-Barnes (5), Investigative Assistant
 Teresa Holder (15), Director of Information Systems
 Felicia Hubbard (19), Senior Information Specialist
 Letitia Jackson (2), Information Specialist

Chuck Jonaitis (2), Investigator
 Jennifer Jones (7), Administrative Clerk
 Diane M. Keys (11), Investigator
 Josephine Lee (6), Administrative Operations Coordinator
 Shin Shin Liu (11), Network Specialist
 Oil Mata (7), Investigator
 Shonda Mason (13), Investigator
 Joanne Newton (7) Investigative Specialist
 Rosa Scott (16), Investigative Specialist
 Wanda J. Sorrells (32), Investigations Area Supervisor
 Margaret Snow (5), Investigator
 Kimberley Wimby (12), 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 practitioners and their customers and clients in real estate transactions in Georgia.

The Agency's Vision

Those who use the services of Georgia real estate brokers and appraisers in real estate transactions will encounter responsive, knowledgeable, and ethical professionals.

Core Values

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

Agency Strategic Plan - Goals and Strategies Report			
Goal	Strategy	Description	Measurable Objective
Assure that Real Estate Licensees and Appraisers Meet Standards of Minimum Competence and Adhere to Regulatory Requirements in the Conduct of Business	Conduct a Compliance Audit of Georgia Real Estate Schools	Insure that Individuals are Being Properly Educated and Are Prepared to Pass the State Licensing Exam	Georgia's Passing Rate on the Qualifying Examination will be Within 5 Points of Other States Giving the Same Examination
Timely Resolve Complaints About Real Estate Brokerage and Appraisal Activity Under the License Law and the Appraisal Act, and Assure Due Process Rights Under Those Laws to Real Estate Licensees, Appraisers, and Members of the Public	Reduction of Time to Investigate a Case File	Implement Increased Use of Citations as a Disciplinary Tool to Reduce the Length of Time Necessary to Resolve an Investigative Case	Reduce Amount of Time Between Opening a Case for Investigation and Closing the Case From One Year to Six Months
Develop Solutions to Minimize or Eliminate Problems that Real Estate Licensees, Appraisers, and Members of the Public Encounter in Complying with the License Law and the Appraisal Act	Online Courses	Develop Series of Online Courses for Licensees to Take to Increase Their Awareness of the License Law	Implement Series of Online Educational Courses to Assist Licensees in Adhering to the Real Estate License Law
Maintain Effective Communication Between the Agency and Real Estate Licensees, Appraisers, and Consumers of Their Services	Electronic and Paper Newsletters	Produce 12 Electronic and 2 Paper Newsletters	Produce 12 Electronic and 2 Paper Newsletters
Enhance the Efficient and Cost Effective Operation of the Agency	Increased Use of Computer Applications as Opposed to Traditional Paper Applications	Continue to Develop Web Based Applications for Use by Licensees	Increase in Use of Online Computer Applications

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 of practitioners, 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 helps ensure that practitioners are qualified and competent

Actual Results 1.a				
Number of Agency Investigations Completed in a Fiscal Year				
FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
2,668	2,128	2,181	2,151	2,053

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 them are minimally qualified.

FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
4.5% above	7.6% above	7.3% above	8.0% above	6.0% above

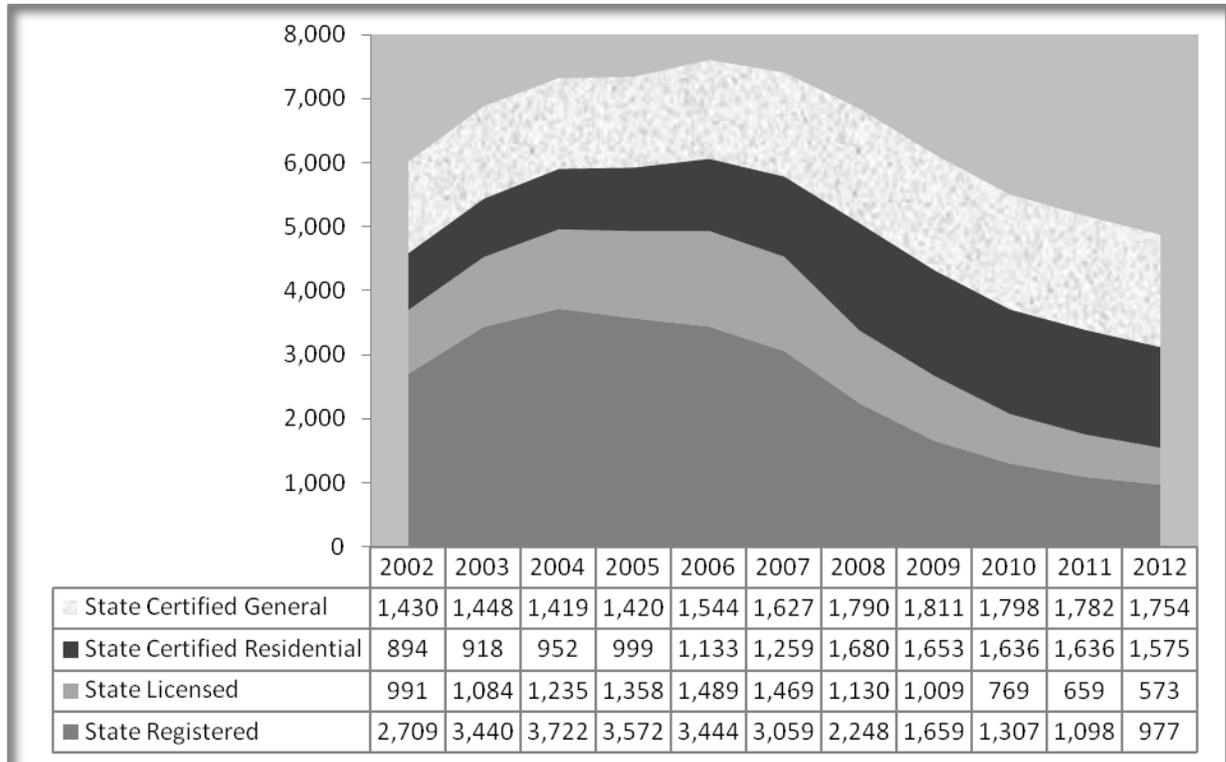
Goal 2:

Staff will respond to all applicants, licensees, and the public's requests for information within agency guidelines.

Actual Results 2 Service Provided	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
95% of requests for applications and materials will be filled within one business day.	99%	99%	99%	98%	96%
95% of requests for written responses to questions will be responded to within 2 business days.	99%	99%	98%	97%	97%
95% of all completed applications will be processed within 5 business days of receipt.	96%	97%	98%	98%	96%

Georgia Real Estate Appraisers Board

Appraisers by Fiscal Year and Classification



GREAB Disciplinary Actions Imposed by Fiscal Year

