



# REAL ESTATE

SUMMER

2011

## NEWS & VIEWS

### BE READY FOR A CONTINUING EDUCATION AUDIT

Constance Hofland

Legal Counsel to the

North Dakota Real Estate Commission



It is well known that you must meet the annual requirements for continuing education in order to renew your license as a real estate broker or salesperson in

North Dakota. In fact, you certify that you have met these requirements on your renewal application.

Specifically, that certification reads:

**I have completed the minimum 9 hours of continuing education (which includes the 3 hr mandatory course) as required for the 2010 continuing education cycle. If you are a non-resident licensee, have you met the continuing education hours of your resident jurisdiction? Yes No**

**I certify that I have read this application, that the above information is true and correct, and that I have complied with all license requirements.**

**Dated:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

Also, each broker is responsible to certify that each of that broker's licensees has completed the required continuing education credits.

What is less well known is the NDREC conducts continuing education audits annually. Licensees are randomly selected for this audit. If you are selected, you will receive a letter directing you to send copies of the certificates of the continuing education credits you earned during the prior year, by a set date. If you fail to submit

copies of the certificates, the Commission is authorized to, and will, issue a complaint against you and your broker.

The complaint will be based on violations of a number of statutes and regulations. For example, if you certify that you have completed the continuing education credits on your renewal form, but fail to produce copies of the certificates when audited, you are in violation of five different statutes and rules.

1. N.D.C.C. § 43-23-08.2 -- by failing to take 9 hours of continuing education and provide proof of the credits.
2. N.D.C.C. § 43-23-11.1(1) (a) -- by making a material false statement in information furnished to the commission by certifying you completed the required education when you have not.
3. N.D.C.C. § 43-23-13.1 – by failing to properly certify compliance with continuing education requirements.
4. N.D.A.C. § 70-02-04-02 – by failing to complete the required hours of continuing education.
5. N.D.A.C. § 70-02-04-21(3) -- by failing to retain attendance certificates of continuing education courses taken.

The Commission is authorized by statute to initiate a complaint against a licensee by motion and has the power to suspend or revoke a real estate license, impose a monetary fine up to \$2,500, assess actual costs including reasonable attorney's fees incurred by the Commission, require course attendance, or issue a letter of reprimand, or any combination of the above.

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# BE READY FOR A CONTINUING EDUCATION AUDIT

Continued from page 1

Currently, the Commission does not require each licensee to submit the certificates, or even a list of the courses taken, with the renewal form. Rather, the Commission relies on your certification that you have met the requirements and have the certificates. So, practically speaking, in order for you to be able to certify, as a licensee, that you have individually met the requirements, you need to know that you have the certificates for the required number of courses. Therefore, once you have done that at the end of the year, you should have them readily available to produce when you are audited.

Also, as a broker, you are responsible to certify each licensee has these certificates, so it makes sense to require each of your licensees to produce those certificates before you certify that you know each licensee has met the requirements for renewal.

## North Dakota Real Estate Commission

200 E. Main Ave. Suite 204  
PO Box 727

Bismarck, ND 58502-0727

Phone: 701-328-9749

Fax: 701-328-9750

Email: [ndrealestatecom@nd.gov](mailto:ndrealestatecom@nd.gov)

Web site: [www.realestatend.org](http://www.realestatend.org)

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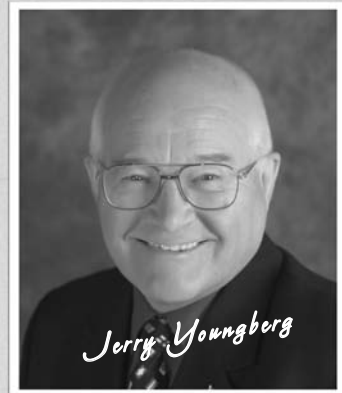
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Articles by outside experts express the author's particular viewpoints. These opinions are not necessarily shared by the Commission, nor should they be mistaken for official policy. The articles are included because we feel they will be of interest to our readers.

## COMMENTS FROM THE CHAIR:

With spring arriving after a long winter, real estate activity is increasing and there seems to be less time to follow up on details, it does not excuse your duty to your clients and customers. The laws and regulations do not recognize a lack of time as an excuse for the commitment you made as a licensee.

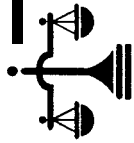


The best advice I have heard over my years in the real estate business has been “under promise and over deliver” and a paraphrase of the golden rule “treat your clients, customers, associates and competitors as you would want to be treated”.

Over the past year there has been a lot of increased attention and publicity about social networks. Although they are called social networks most if not all are used by some people (some licensees) as business networks and it is at that point that if you are promoting yourself, your listings you fall under the laws, regulations and rules of the real estate commission. Check out the attached link to the guidelines by going to [www.realestatend.org](http://www.realestatend.org). Click on the “Licensees” tab and select “Guidelines” from the column on the left. Look for “Question and Answers on Advertising Rules.”

This past renewal period was the 2<sup>nd</sup> year of on-line renewal. From my perspective, the concerns of the 1<sup>st</sup> year challenges were addressed but we look to you as users to provide further input so that your concerns can be addressed for next year's license renewal process.

# Disciplinary Actions Taken



The following disciplinary actions have become effective since the last report in the newsletter. A Stipulated Agreement is a settlement agreement between licensees and the Real Estate Commission and constitutes neither an admission nor a denial of any violation.

Name	Complaint#	Hearing Type	Order Date	Violation	Penalty
Greterman, Aaron A.	2010-12	None	02/02/2011	Respondent's conduct may have constituted a violation of NDCC 43-23-11.1(1)(a) for providing false certification of ce to the Commission on an application for renewal.	Stipulated to a \$500 fine.

## Tidbits of information

- 2011 MANDATORY COURSE TOPIC. The 3 hour mandatory course topic for 2011 is business etiquette and professionalism. The Commission chose this topic due to the types of complaints being received and input from the industry. Approved mandatory course numbers will begin with "MAN". Currently there are 2 approved classroom mandatory courses available. An online course will be available soon.
- LICENSE VERIFICATION. Real estate licenses can be verified by going to the Commission's website [www.realestatend.org](http://www.realestatend.org) and clicking "Online Directory". You can search for active licensees in North Dakota and nationally by using the ARELLO® link.
- ANONYMOUS LETTERS AND COMPLAINTS CANNOT BE ACTED UPON BY OUR OFFICE. If you feel someone or something should be investigated by us you need to provide your name as well as the information.
- ARE YOU HAVING YOUR COMMISSIONS PAID TO YOUR CORPORATION, LLC, OR LLP? Do you have that organization (such as those mentioned previously) licensed with the North Dakota Real Estate Commission? If not, then keep reading.... NDCC 43-23.05.1 states that in order to have commissions paid to an organization it must be licensed. The licensing of an organization of a salesperson or broker associate for the purpose of having commissions paid to that organization allows the licensee to participate in the benefits and advantages that such an arrangement has to offer. Application forms are available on our website ([www.realestatend.org](http://www.realestatend.org)) under "Licensees" and then "Forms". Then select "Salesperson Corporate LLC License Application."
- COMMISSION MEETINGS ARE OPEN TO THE PUBLIC and that includes real estate licensees. Commissioners welcome and encourage licensees to attend meetings held by the Commission. Meeting dates, time & location can be found on the Commission's web site [www.realestatend.org](http://www.realestatend.org).

# KRIS SHERIDAN

## Reappointed to Commission

Governor Jack Dalrymple has reappointed Kris Sheridan of Fargo to another five-year term on the North Dakota Real Estate Commission. The appointment is effective July 1, 2011 through June 30, 2016. Commissioner Sheridan was first appointed to the Commission in 1996.

Commissioner Sheridan began her real estate career in 1974 and obtained her brokers license in 1978. She is president and co-owner of Park Company Realtors in Fargo and is also licensed in Minnesota. She holds the designations of Certified Real Estate Brokerage Manager (CRB), Certified Residential Specialist (CRS), Graduate, Realtor Institute (GRI), and Quality Service Certified (QSC).

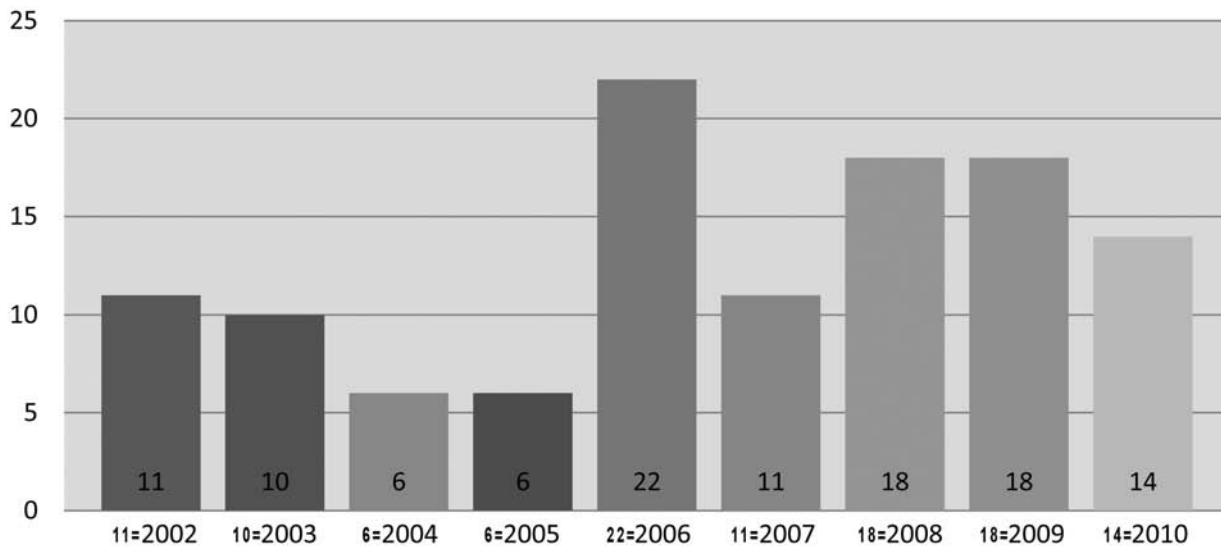
Kris is very involved in the Fargo-Moorhead community serving on many boards.



## 2011 Legislative Update

The intent of HB1430, which passed this legislative session and will become law August 1, 2011, is to clarify non-agency. This new legislation can be viewed by going to <http://www.legis.nd.gov/assembly/62-2011/bill-index/bi1430.html> and clicking on "04000 Enrollment." The Commission will be drafting administrative rules to further clarify the responsibilities of a licensee acting in the capacity of a non-agent. These proposed administrative rules will be published in our next newsletter....so stay tuned.

**Number of complaints filed with the North Dakota Real Estate Commission through December 2010**



# NON-RENEWALS FOR 2011

These licensees did not renew their real estate licenses as of March 1, 2011. Any license not renewed by March 1<sup>st</sup> of each year is cancelled. If your name appears on this list in error please contact the North Dakota Real Estate Commission office immediately.

Name	HomeCity	HomeState	LicenseType	Name	HomeCity	HomeState	LicenseType
Altepeter, Darral J.....	East Grand Forks.....	MN.....	Broker	Frale, Micheal D.....	Buffalo.....	WY.....	Salesperson
Bailes, III, George L.....	Rainbow City.....	AL.....	Broker	Froehlich, Jacqueline K.....	Devils Lake.....	ND.....	Salesperson
Bruns, Walter G.....	Fergus Falls.....	MN.....	Broker	Gagnon, Patricia J.....	Minot.....	ND.....	Salesperson
Doyle, Dennis J.....	Eden Prairie.....	MN.....	Broker	Gerszewski, Joseph J.....	Williston.....	ND.....	Salesperson
Ehlis, Brandon S.....	Minneapolis.....	MN.....	Broker	Goerger, Rose A.....	Horace.....	ND.....	Salesperson
Gerdes, Mark R.....	Montevideo.....	MN.....	Broker	Gory, Thomas H.....	Fargo.....	ND.....	Salesperson
Hauer, Bo.....	Piedmont.....	SD.....	Broker	Haakenson, Martha K.....	Audubon.....	MN.....	Salesperson
Holte, Mercedes L.....	Grand Forks.....	ND.....	Broker	Hacker, Nicholas P.....	Clinton.....	MD.....	Salesperson
Jensen, Jerome A.....	Deephaven.....	MN.....	Broker	Hackley-Hoherz, Shelley A.....	New Leipzig.....	ND.....	Salesperson
Johnson, Jodi L.....	Omaha.....	NE.....	Broker	Halland, Jeffrey A.....	Gary.....	MN.....	Salesperson
Jorve, Wayne E.....	Oakes.....	ND.....	Broker	Hanson, Deborah L.....	Watford City.....	ND.....	Salesperson
Kaiser, Monica M.....	Detroit Lakes.....	MN.....	Broker	Haug, Renae L.....	Mandan.....	ND.....	Salesperson
Kjellberg, Kevin J.....	Menahga.....	MN.....	Broker	Haugen, Loren D.....	Williston.....	ND.....	Salesperson
Knapp, Charles W.....	Fargo.....	ND.....	Broker	Haugen, Shana A.....	Fargo.....	ND.....	Salesperson
Kukowski, Shawn W.....	Dickinson.....	ND.....	Broker	Hauser, Jacob B.....	Hebron.....	ND.....	Salesperson
Leach, Pamela L.....	Dilworth.....	MN.....	Broker	Hendrickson, Courtney R.....	Williston.....	ND.....	Salesperson
Marquardt, John R.....	Fargo.....	ND.....	Broker	Herbst, Richard K.....	Fargo.....	ND.....	Salesperson
McClintock, Jr, James G.....	Rugby.....	ND.....	Broker	Herner, Brandy K.....	Bismarck.....	ND.....	Salesperson
Olson, Randall J.....	Fargo.....	ND.....	Broker	Hopfauf, John R.....	Bismarck.....	ND.....	Salesperson
Rogstad, Opal J.....	Detroit Lakes.....	MN.....	Broker	Houston, Melissa L.....	Burlington.....	ND.....	Salesperson
Rosaasen, Orvin L.....	Beulah.....	ND.....	Broker	Huseby, Dakota S.....	Grand Forks.....	ND.....	Salesperson
Sandage, Duane W.....	Ames.....	IA.....	Broker	Isaacson, Douglas T.....	Moorhead.....	MN.....	Salesperson
Scherb, III, Albert H.....	Winnetka.....	IL.....	Broker	Jacobs, Alton S.....	Dickinson.....	ND.....	Salesperson
Seaman, Judson R.....	Rapid City.....	SD.....	Broker	Johnson, Susan M.....	Fargo.....	ND.....	Salesperson
Strain, James R.....	Rapid City.....	SD.....	Broker	Jorgensen, Michael W.....	Fargo.....	ND.....	Salesperson
Thomas, James E.....	New Ulm.....	MN.....	Broker	Kester, Janice D.....	Fargo.....	ND.....	Salesperson
Wakefield, Kathleen D.....	Fargo.....	ND.....	Broker	Kringlie, Julieanne M.....	Grand Forks.....	ND.....	Salesperson
Wolff, Armon H.....	Golden Valley.....	ND.....	Broker	Larson, Neil H.....	Harwood.....	ND.....	Salesperson
Zimney, Kenneth P.....	Jamestown.....	ND.....	Broker	Lebrun, Megan R.....	Crary.....	ND.....	Salesperson
Allmendinger, Donald D.....	Bismarck.....	ND.....	Broker Associate	Leibrand, Gary R.....	Bozeman.....	MT.....	Salesperson
Bickler, P. S.....	Minot.....	ND.....	Broker Associate	Leighten, Alver G.....	West Fargo.....	ND.....	Salesperson
Bosch, Bruce A.....	Linton.....	ND.....	Broker Associate	Lindstrom, Marlow D.....	Fargo.....	ND.....	Salesperson
Braaten, Donald O.....	West Fargo.....	ND.....	Broker Associate	Mapes, Christopher L.....	Horace.....	ND.....	Salesperson
Coenen, Billy J.....	Lisbon.....	ND.....	Broker Associate	McKay, Heather N.....	Fargo.....	ND.....	Salesperson
Eid, Gerald D.....	Fargo.....	ND.....	Broker Associate	Meidinger, Robert L.....	Ashley.....	ND.....	Salesperson
Heinsohn, Harlan R.....	Mandan.....	ND.....	Broker Associate	Merhiy, Eric D.....	Fargo.....	ND.....	Salesperson
Houge, Michael K.....	Burnsville.....	MN.....	Broker Associate	Miller, Annie C.....	Minot.....	ND.....	Salesperson
Larson, Steven C.....	Detroit Lakes.....	MN.....	Broker Associate	Miller, Frank L.....	Minot.....	ND.....	Salesperson
Lee, Judith E.....	West Fargo.....	ND.....	Broker Associate	Miller, Harlen R.....	Bismarck.....	ND.....	Salesperson
Lorenz, Mark L.....	Breckenridge.....	MN.....	Broker Associate	Mjolsness, Douglas N.....	Glyndon.....	MN.....	Salesperson
Lowe, Kristen L.....	Rapid City.....	SD.....	Broker Associate	Monsebroten, Suzanne M.....	Fargo.....	ND.....	Salesperson
Meikle, Amber N.....	Moorhead.....	MN.....	Broker Associate	Morton, Kathryn E.....	Mandan.....	ND.....	Salesperson
Olson, Joanne A.....	Detroit Lakes.....	MN.....	Broker Associate	Nelson, Chris B.....	Fargo.....	ND.....	Salesperson
Rickert, Paul M.....	Sioux Falls.....	SD.....	Broker Associate	Nelson, Krisanne M.....	Fergus Falls.....	MN.....	Salesperson
Stenson, Gary L.....	Naples.....	FL.....	Broker Associate	Nordick, Doug J.....	Breckenridge.....	MN.....	Salesperson
Thomas, Gregory J.....	New Ulm.....	MN.....	Broker Associate	Oehlke, Cory D.....	Grand Forks.....	ND.....	Salesperson
Thompson, Tedd R.....	Spearfish.....	SD.....	Broker Associate	Opdahl, Lindsey A.....	West Fargo.....	ND.....	Salesperson
Whitty, Cheryl J.....	Grandin.....	ND.....	Broker Associate	Orvik, Paul E.....	West Fargo.....	ND.....	Salesperson
Aide, Denise M.....	Bottineau.....	ND.....	Salesperson	Ostern, Mark L.....	Fargo.....	ND.....	Salesperson
Anderson, David J.....	Mandan.....	ND.....	Salesperson	Pearson, Brian R.....	West Fargo.....	ND.....	Salesperson
Arnt, Scott C.....	Bismarck.....	ND.....	Salesperson	Piatz, Perry D.....	Oxbow.....	ND.....	Salesperson
Babcock, Scott R.....	Elkhorn.....	NE.....	Salesperson	Pinks III, Eugene M.....	Bismarck.....	ND.....	Salesperson
Baird, Mary C.....	Bismarck.....	ND.....	Salesperson	Pralle, Christine M.....	Horace.....	ND.....	Salesperson
Balensiefer, Nicole M.....	Minot.....	ND.....	Salesperson	Puhalla-Neumann, Jodi A.....	Hawley.....	MN.....	Salesperson
Balken, Matthew A.....	Fargo.....	ND.....	Salesperson	Ringuette, Richard P.....	New Salem.....	ND.....	Salesperson
Bauman, Adam T.....	Hawley.....	MN.....	Salesperson	Rohloff, Stacey R.....	Fargo.....	ND.....	Salesperson
Beaton, Michael F.....	Fargo.....	ND.....	Salesperson	Roos, Mary E.....	Fargo.....	ND.....	Salesperson
Becker, Paul A.....	Bismarck.....	ND.....	Salesperson	Savelkoul, Kelly A.....	Fargo.....	ND.....	Salesperson
Beltz, Dallas J.....	Wahpeton.....	ND.....	Salesperson	Sayler, Amy M.....	Minot.....	ND.....	Salesperson
Benusa, Michael D.....	Fargo.....	ND.....	Salesperson	Sharma, Kumar L.....	Moorhead.....	MN.....	Salesperson
Bergquist, Risa K.....	Bismarck.....	ND.....	Salesperson	St Germain, Carla A.....	Fargo.....	ND.....	Salesperson
Bly, Natalie A.....	Ulen.....	ND.....	Salesperson	St. Vincent, Tammy A.....	Mandan.....	ND.....	Salesperson
Boeddeker, Kelly S.....	Fargo.....	ND.....	Salesperson	Strehlow, Monty B.....	Fargo.....	ND.....	Salesperson
Bolstad, Angela M.....	Bismarck.....	ND.....	Salesperson	Svaleson, Jay M.....	Fargo.....	ND.....	Salesperson
Brambilla, Alissa M.....	Moorhead.....	MN.....	Salesperson	Tehle, Cheryl R.....	Fargo.....	ND.....	Salesperson
Carlson, Lynn W.....	Moorhead.....	MN.....	Salesperson	Tester, Benjamin R.....	Dilworth.....	MN.....	Salesperson
Cartier, Janice M.....	East Grand Forks.....	MN.....	Salesperson	Thompson, Kevin D.....	West Fargo.....	ND.....	Salesperson
Coles, Ashley L.....	West Fargo.....	ND.....	Salesperson	Thorvilson, Robyn L.....	Fargo.....	ND.....	Salesperson
Cossette, Kari A.....	Barnesville.....	MN.....	Salesperson	Tietz, Christopher D.....	Minot.....	ND.....	Salesperson
Dahl, Kristin M.....	Gardner.....	ND.....	Salesperson	Varnson, Dale B.....	Brocket.....	ND.....	Salesperson
Davidson, Betty L.....	Westminster.....	CO.....	Salesperson	Vetter, Shirlein.....	Bismarck.....	ND.....	Salesperson
Dickson, Alexander M.....	Bismarck.....	ND.....	Salesperson	Volk, Jerome L.....	Grand Forks.....	ND.....	Salesperson
Diede, Rodney J.....	Bowman.....	ND.....	Salesperson	Weinberger, Sheila A.....	Bismarck.....	ND.....	Salesperson
Dolbec, Julie R.....	Bismarck.....	ND.....	Salesperson	Welk, Jessica L.....	Bismarck.....	ND.....	Salesperson
Donnelly, Mike J.....	Grafton.....	ND.....	Salesperson	Welte, Helen L.....	Larimore.....	ND.....	Salesperson
Erickson, Allen B.....	Grand Forks.....	ND.....	Salesperson	Wilson, Ashley L.....	Moorhead.....	MN.....	Salesperson
Evanson, Darlene K.....	Fargo.....	ND.....	Salesperson	Zutz, Steven G.....	Fargo.....	ND.....	Salesperson
Flaten, Justin D.....	Minot.....	ND.....	Salesperson				

## QUESTIONS & ANSWERS

- Q. *One of my salespeople is going to go to work for another broker, and another is going to become inactive. May I give them their licenses so that they can return them to the Commission?*
- A. **No. Upon termination of a real estate salesperson's or broker's employment, the broker employer shall forthwith return the salesperson's license to the commission.**
- Q. *The broker did not prepare closing statements or close the transaction. Is the broker still responsible for their accuracy?*
- A. **Even if the closing is conducted by a title company, a lending institution, or an attorney, the broker must see that the closing statements are prepared and delivered to the buyer and seller and that they are accurate.**
- Q. *Can a licensee receive commission from a person other than his broker?*
- A. **Normally, no. But if a licensee transfers to another broker, he can receive commission directly from the former broker for transactions in which a commission was earned before the licensee transferred.**
- Q. *I've been in the real estate business for a long time and have built a great clientele. After I go INACTIVE can I refer these people to another agent in my office and receive a referral fee on their future transactions?*
- A. **No. These future transactions are not a direct product of your efforts while maintaining an active license. It would be a violation of the North Dakota License Law for the other agent to split the commissions with you.**
- Q. *As the selling salesperson, can I accept an incentive from the seller in addition to my commission?*
- A. **Yes, it is permissible to accept an incentive provided you adhere to certain guidelines. A seller can offer an incentive to the selling licensee in addition to the commission, and the licensee may accept the incentive, provided that the payment goes through the licensee's designated broker. Disbursement of incentive payments to a selling licensee should be handled in accordance with the employment agreement between the agency, designated broker and licensees and be addressed in the agency's policy manual.**
- Q. *May I pay my friend a "finders fee" for information he gave me that led to a sale?*
- A. **The payment of so-called "finders fees" is one of the most often asked questions. If a nonlicensed person offers information that results in a real estate sale, the licensee may not pay a part of his commission or otherwise compensate for such information. Nonlicensed persons may not be compensated for performing any acts for which a real estate license is required.**



## NEW VERSION OF THE REAL ESTATE LICENSING EXAMINATION TO BE LAUNCHED JUNE 1, 2011

In order to keep real estate licensing examinations germane to the practice of real estate a new national job analysis must be conducted periodically. Applied Measurement Professionals (AMP), the examination company with whom we contract, undertakes this process approximately every five years. A national job analysis entails sending out a survey to real estate licensees across the country that identifies all the many varied tasks that one might engage in as a licensed real estate agent and asks licensees to evaluate how important each task is to a beginning level licensee. There are separate indicators for salesperson duties and broker duties, responders are sorted so that there is a strong cross-section of the industry, geographic location, and years of experience represented. You may very well have been sent one of these surveys and, if so, we hope you took the time to fill it out and turn it in to AMP because this is how we guard against testing things that "nobody does anymore".

### NEW NATIONAL SALESPERSON EXAMINATION PASSING SCORE

This national job analysis was completed last year and new national examination content outlines have led to the construction of new national-portions of examinations which have a somewhat different focus in keeping with real estate practice today. Two studies with regard to the difficulty of these examinations have recently been completed to determine the proper minimum competency score (pass score) to set for the examinations. The national broker examination is a simulation-style exam and this information will be used to set the minimum score per section. The national salesperson examination is a multiple choice examination and will continue to indicate a percentage score. At the April meeting of the Commission it was decided to accept AMP's recommendation that the passing score for the new national portion of the salesperson license examination be set at 70. Studies support this score as being sufficient to protect the public and will allow for a projected pass rate roughly equivalent to the rate for the current exam.

### EXAMINATIONS REMAIN FAMILIAR

The Commission would like to emphasize that the state portion of the salesperson examination has not changed. The passing score of 75 for the salesperson and non-resident state-specific portion of the examination remains the same.



# UPDATES ON THE LICENSING EXAMINATION

Lawrence J. Fabrey, PhD  
Senior Vice President, Psychometrics  
Applied Measurement Professionals

Development, administration, and scoring of the North Dakota real estate licensing examinations has been provided for nearly 20 years by Applied Measurement Professionals (AMP). During that time, AMP has completed a job analysis (also known as a practice analysis or role delineation study) approximately every five years. The purpose of this research study is to identify the knowledge that should be required of an entry-level real estate licensee, either at the salesperson or broker level, and to create new examination specifications (i.e., detailed content outlines). The most recent job analysis project was completed in 2010, and the purpose of this article is to identify a few highlights, but not to repeat the descriptions of the study that have been published on AMP's website ([www.goAMP.com](http://www.goAMP.com)) in September and November, 2010. Among the highlights is the significant involvement of a few individuals from North Dakota. Specifically, Daryl Braham and Jim Deibert were among the subject matter experts who participated in web-based focus group discussions in 2009 that led to the design of the job analysis survey that was distributed in 2010. Pat Jergenson participated as a member of the Advisory Committee that finalized the survey and evaluated the results, which led to adoption of the new examination specifications that are being introduced in the eleven states in which AMP examinations are used for real estate licensing. Finally, the contributions of the licensees in North Dakota who responded to the survey should be noted, for without their input the job analysis could not have ensured the relevance of the new specifications.

Any time new examination specifications are being implemented, a re-evaluation of the level of competency expected of the licensees is appropriate. To accomplish this, AMP conducted a passing point study in late 2010 to identify the level of knowledge that should be displayed by a 'minimally competent practitioner' (MCP). The study involved seeking the judgments of a group of subject matter experts from throughout the country about the difficulty of items on representative examination forms matching the new specifications, both for the broker and salesperson examinations. The broker examinations will continue to have passing points for Information Gathering and Decision Making sections that can vary depending on the maximum number of points that can be achieved and the difficulty of the sections within the various problems

that constitute an examination form. On the national salesperson examination, the traditional passing point has been 75 correct answers out of the 100 scored items, but the result of the recent passing point study indicated that 70 correct answers best represents the amount of knowledge that should be displayed by the MCP. This is not to say that the new examination forms will be easier to pass, in fact, it is expected that passing rates (percentage of candidates passing) should remain about the same. What the study suggests is that the items (questions) on the new examination forms, reflecting the new examination specifications, are somewhat more difficult than the items on the previous forms. Once the new examinations are implemented it is expected that the passing score will remain consistent at 70 correct answers, at least until the next job analysis is completed. The North Dakota Real Estate Commission recently approved implementation of the new examinations and the new passing point, effective with administration of examinations in North Dakota beginning on June 1, 2011.



North Dakota Real Estate Commission  
P.O. Box 727  
200 E. Main Ave. Suite 204  
Bismarck, ND 58502-0727

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Year 2011		Active	Inactive	Cancelled	Total
Corporation	152	1			
LLC	52				
LLP	6				
Partnership					
Broker	334	35	33		
Broker Associate	227	15	20		
Salesperson	1160	234	107		
<b>Total</b>	<b>1931</b>	<b>284</b>	<b>162</b>		

1 <sup>st</sup> quarter of 2011:		Total
Corporation	2	
LLC	3	
Broker	3	
Broker Associate	1	
Salesperson	49	
<b>Total</b>	<b>58</b>	

This was the 2<sup>nd</sup> year of online license renewals and we saw an increase in its use. We received many calls from licensees who either couldn't remember the email address they had on record with our office or had changed it and couldn't begin the renewal process without the change also being made in our office. All of which highlights the importance of keeping your information current with our office, especially as we all continue to move forward in our electronic world.

- Renewal numbers for licensees in ND did not change significantly from 2010 to 2011 (less than 1%). However renewals continue to decrease at a rate of 1% each year. The Commission continues to budget conservatively in regards to new license applications.
- There were 210 corporations, LLC's, & LLP's licensed in ND in 2011 compared to 227 in 2010.
- 160 broker, broker associate and salesperson licenses were cancelled 2011 in comparison to 168 in 2010.
- 284 inactive broker, broker associate and salesperson licenses were renewed for 2011 in comparison to 278 in 2010.
- 1,721 active broker, broker associate and salesperson licenses were renewed for 2011 in comparison to 1,742 in 2010.

Below are some license renewal statistics and comparisons for 2011 v 2010:

## 2011 LICENSE REPORT