



# North Dakota Association of REALTORS®

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Minutes

Pre-Licensing Task Force

Wednesday, April 9, 2014

Quality Inn, Jamestown

Present: Vicki Matson, Chair; Pat Jergenson (phone), Executive Director, Real Estate Commission (REC); Mary Shelkey-Miller, Kristin Oban, Lorrie Nantt and Cindy Harvey.

Guests: Scott Breidenbach, Lyn Dwyer, Mary Goroski, Greg Larson, Joyce Kuntz, Jamie McLean, Weezie Potter, Vicki Roller, Jodi Tollefson, Tricia Schlosser, Ben Schroeder, Jeff Shipley, Phil Vanyo, John Coulter, Nancy Deichert, Marti Kaiser and Beth Mayer.

Staff: Jill Beck, Nancy R. Willis and Heather Balkowitsch.

Vicky Matson, Chair, called the meeting to order, welcomed everyone and introductions were made.

Matson reviewed the task force job description. Consensus was that description was appropriate.

Pat Jergenson reviewed ND pre-licensing requirements. To be a "salesperson" in North Dakota a person must be 18 years of age or older and must complete at least 45 hours of pre-licensing education in courses of study approved by the Commission. The applicant must take an exam and successfully pass and within one year after initial licensure, the salesperson's broker must certify to the Commission that the salesperson has successfully completed 15 hours of post-licensure education hours.

A chart with requirements from other states was reviewed. Six states have lower requirements than North Dakota. The task force discussed the statistic provided by Beck (as provided by the Real Estate Commission at their last meeting) of a 39.8% pass rate with a 12% pass rate for repeaters for an average of 29.5%. According to Jergenson the 39.8% puts us right in the middle of other states' pass rates and is an improvement from the 24.1% it used to be. Also, the repeater statistic only reflects those re-taking one time. Applicants are able to re-take the test numerous times. The Commission monitors the pass rate by class but has no control over what the applicant puts on the application form. It is not mandatory for applicants to put where they attend pre-licensing education.

Discussion ensued about number of hours and how that might correlate to pass rate. Alabama requires 60 hours and is another state with a low pass rate. They are currently reviewing as well. Task force members wondered if there might be a way to identify which questions might be causing the low pass rate. Task force was told by Jergenson that it is not possible to obtain test questions or specific data from testing companies because information is confidential. The exam is created by the testing companies through job analysis surveys and should reflect a licensee's job. There has been an increase in both in-state and out-of-state applicants. She said she could send out a request on her list serve to other states to identify areas of concern.



The exam is designed for people to walk out with the minimal amount of knowledge needed to sell real estate. The task force felt that they would like the test to reflect added knowledge and professionalism and not the minimal amount required.

Task Force felt that requiring more hours would require more student investment, which should result in a higher pass rate. Members also discussed the need to identify where brokers, AEs and new agents are seeing a lack of knowledge and work with new agents in those areas, as well as focusing on post-licensing education in those areas.

Task Force felt that more research was needed into:

- What other states are seeing and doing (pass/fail; agent knowledge; professionalism)
- Quality of instructors for pre-licensing
- Logistics of offering more face-to-face classes
- Difficulty of test by category, not specific questions
- Whether the ability to re-test numerous times could be changed

A motion was made to raise the number of pre-licensing hours required to 60.

The motion failed for lack of a second. A motion was recommended to raise the number of pre-licensing hours required to at-least 90. **M/S/C**

Beck said any final change would need to be made by the Legislature. So the process for change would be that the Task Force will make their recommendation to the Professional Development Committee; the PDC will recommend to the NDAR Board. If approved, the NDAR Board will assign to the Government Affairs Committee who will work with the Commission to take to the Legislature. Jergenson said the Commission would want REALTORS® to bring a recommendation that the commission can put before the state legislature. Willis said that all changes considered should be presented to the Legislature as a package and that hard data will be needed to justify changes in order for the Legislature to approve. She said members should consider the Legislature's concern about fence building (making it too difficult for people to become licensed in order for licenses to minimize competition).

Matson suggested the Task Force follow up on areas of research identified. Beck suggested the Task Force request some volunteers from the Government Affairs Committee to serve on the Task Force to ensure if this is to be taken to the Legislature the Task Force is moving in the right direction. Members agreed to meet again in June in order to take their recommendation to the Board in July.

There being no further business, the meeting was adjourned.

Respectfully submitted:

Heather Balkowitsch and Nancy R. Willis