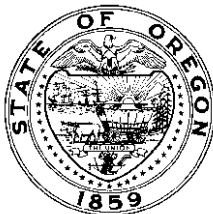


OFFICE OF THE SECRETARY OF STATE

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## **Administrative Overview**

### **Real Estate Agency**

November 2010

### **Introduction**

The Real Estate agency is responsible for enforcing Oregon's real estate laws applicable to brokers, salespersons, property managers, and real estate marketing organizations. It also licenses and regulates escrow agents. The agency administers ORS chapter 696 - Real Estate and Escrow Licensing, ORS chapter 92 - Subdivisions, ORS chapter 94 - Timeshares and Campgrounds, and ORS chapter 100 - Condominiums.

The agency is advised on real estate industry matters by the Real Estate Board. The Governor appoints the nine-member advisory board which consists of seven industry members and two public members.

### **History**

Oregon's first regulation of the real estate industry was under the authority of the state Insurance Commissioner. The Commissioner began acting as ex officio Real Estate Commissioner in 1921 (O.L. 1921 ch.223). The commissioner's responsibilities included licensing and regulating real estate agencies, investigating complaints, holding public hearings in cases concerning professional ethics, and revoking real estate licenses for cause (1921 O.L. ch.438). The Real Estate Commissioner also supervised, licensed, and regulated debt collection agencies.

The Real Estate Board and Real Estate Department were created in 1939 with the passage of the Real Estate Broker's License Act 1939 (1939 O.L. ch.380). The ex-officio duties of the Insurance Commissioner ceased and the Real Estate Commissioner was appointed by the Governor to be head of the Board and the Real Estate Department. The board consisted of the commissioner and four other members appointed by the Governor. The board's primary role was to advise the department concerning the needs of realtors, the public, and the state. The board also administered real estate broker's license examinations.

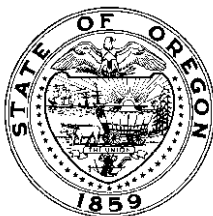
By 1959, the Collection Agencies Advisory Board began assisting the Real Estate Department in setting policy regarding debt collection agencies and conducting examinations (O.L. 1959 ch.525 and ch.635). The Collection Agencies Advisory Board was dissolved in 1963 (O.L. 1963 ch.558).

In 1964, the Real Estate Department was incorporated into the Department of Commerce as one of its original five divisions (O.L. 1963 ch.580). The Real Estate Board acted in an advisory role to the Director of the Department of Commerce. The division was given the added responsibility of administering the Subdivision Control Law and licensing and regulating debt consolidation agencies.

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By 1971, the division also regulated and licensed escrow agencies (O.L. 1971 ch.734). In 1975, the Billing, Factoring and Collection Agencies Board was also created as a revival of the old Collection Agencies Board (O.L. 1975 ch.746), and in 1977 its name was changed to Credit Agencies Board (O.L. 1977 ch.185).

In 1981, the Real Estate Board was expanded to eight members, the Credit Agencies Board was dissolved, and a Credit Agencies Program was established in the Real Estate Division (O.L. 1981 ch.85). In 1987, the Legislative Assembly dissolved the Department of Commerce and abolished the Real Estate Division (O.L. 1987 ch.414). It established the Real Estate Agency as an independent agency under a Real Estate Commissioner to be appointed by the Governor (O.L. 1987 ch.414). That same year, real estate appraisers and property managers were placed under the jurisdiction of the Real Estate Agency to license and regulate (O.L. 1987 ch.468 and c.611). The new agency's responsibilities were to license real estate brokers, salespersons, and appraisers. It also was to regulate escrow agencies, enforce real estate subdivision, condominium, time-share, and campground sales statutes, investigate and act on complaints against realtors, and publish real estate educational materials. In 1991, responsibility for regulating real estate appraisers was transferred to the newly created Appraiser Certification and Licensure Board under the Secretary of State (O.L. 1991 ch.5).

In 1995, the Real Estate Agency was given responsibility for licensing and regulating real estate related marketing organizations (O.L. 1995 ch.217).

In 2003 the Legislative Assembly established client trust accounts for real estate brokers. The responsibility for oversight was given to the Real Estate Agency (O.L. 2003 ch. 224). Earnings from the trust accounts are to be received by public benefit corporations and may be used to assist in 1<sup>st</sup> time home buying. The Legislative Assembly also clearly defined the roles of receivers, conservators and powers of attorney in matters involving real estate impacting those professions who, while not licensed as real estate professionals, often deal in real estate issues and transactions (O.L. 2003 ch. 347).

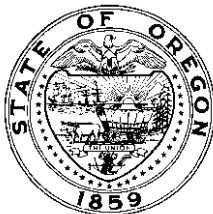
The Legislative Assembly adopted standards for real estate brokers to act as sole practitioners and as principle brokers (O.L. 2005 ch. 116) In addition, the Real Estate Agency was given authority to disburse disputed funds from client trust accounts (O.L. 2005 ch. 393).

The 2007 Legislative Assembly ensured opportunities for late renewal by real estate professionals allowing the Commissioner to provide for late renewal of real estate professionals (O.L. 2007 ch. 225).

Standardized class room instruction, and training of real estate professionals is mandated by the Legislative Assembly (O.L. 2009 ch. 502) to be delivered by/overseen by the Real Estate Agency.

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### Current Organization

The **Real Estate Board** advises the Governor and the Real Estate Commissioner on real estate industry matters, reviews agency rulemaking proposals, and oversees the testing and examination of real estate license applicants.

The **Commissioner's Office** provides leadership and policy direction to the agency.

The **Administrative Services Division** provides a wide variety of support services including administrative rules, personnel, payroll, purchasing and contracting, budget preparation and monitoring, accounting, facilities management, records management, legislative tracking, and special projects.

The **Education Division** develops, administers, evaluates, and grades real estate examinations. It develops pre-licensing and continuing curriculum standards and requirements and approves instructors and courses. This unit also develops, edits, and distributes publications and educational materials for licensees, agency staff, and the public. It conducts research into various aspects of the real estate industry to monitor trends in order to inform agency staff, the industry, and the public. It also provides public affairs support to the agency by preparing agency press releases.

The **Information Systems** unit manages the agency's information technology functions including planning, purchasing, and training.

The **Land Development** Division is responsible for providing direction and oversight to land development involving condominiums, timeshares, manufactured home subdivisions, out of state subdivisions and membership campgrounds.

The **Licensing** Division is responsible for licensing real estate brokers, salespersons, property managers, escrow agencies, and real estate telemarketers. It also registers campground contract brokers and salespersons. It also performs research and prepares narrative and statistical reports about licensing activities.

The **Regulation Division** is responsible for regulating all real estate brokers and salespersons, property managers, campground operators, membership campgrounds, and certain land developments. It conducts field audits of real estate and property management offices. It licenses and audits escrow agencies. It also conducts on-site inspections of subdivisions and issues Public Reports. In addition, division staff are responsible for coordinating the activities required to resolve contested cases resulting from alleged violation of real estate laws.

### Chronology

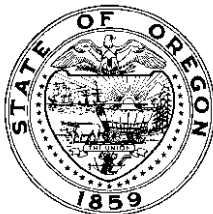
1921 State Insurance Commissioner became ex officio Real Estate Commissioner.

1939 Real Estate Brokers Licensing Act established Real Estate Board and Department.

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- 1964 Collection Agencies Advisory Board dissolved, duties assumed by Real Estate Department.
- 1971 Real Estate Department became a division of Department of Commerce. Responsibility to regulate escrow agencies added.
- 1987 Real Estate Department became an independent agency upon the dissolution of the Department of Commerce.  
Property managers and real estate appraisers were placed under the Real Estate Agency.
- 1991 Real estate appraiser regulation was transferred to the newly created and independent Appraiser Certification and Licensure Board within the office of the Secretary of State.
- 1995 Responsibility for licensing and regulation of real estate marketing organizations was assigned to the Real Estate Agency.

#### Bibliography

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Oregon Revised Statutes 2010.  
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#### Primary Agency Statutes and Administrative Rule Chapters

ORS chapter 92 - Subdivisions.  
ORS chapter 94 - Timeshares and Campgrounds.  
ORS chapter 100 - Condominiums.  
ORS chapter 696 - Real Estate and Escrow Licensing.  
OAR Chapter 863