

# The Regulator

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Chad Griffiths,  
Chair

## Message From Council

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This is my final message as outgoing Real Estate Council of Alberta Chair and as a member of Council. I would like to thank my Council colleagues, industry professionals across Alberta, and RECA staff for making my year as Chair productive and rewarding. I'd also like to offer my congratulations to Krista Bolton, the new Chair of Council, and to Christine Zwozdesky, Chair-Elect, who serve in these positions for a one-year term, ending on October 31, 2016.

During my year as Chair, one of Council's focuses was improving how we connect with industry professionals. As an industry professional myself, I can tell you how satisfying it was to be a part of this process. I can't stress enough how much Council wants industry professionals to get involved.

I'd like to take a couple

of minutes now to look back at some of this year's initiatives and how industry professionals help make the continued success of our industry possible.

One of our most in-depth and informative engagement initiatives is our condominium management regulation consultation. RECA will take on new responsibilities given to it by the Alberta government, and it is important for RECA to know what's going on in the industry. We started a comprehensive consultation process late this summer, which includes surveys, a consultation paper and face-to-face town hall sessions with condominium managers, board members and owners across the province. This is our chance to hear directly from those involved in Alberta's condominium sector. Do they have concerns? What should the regulatory model look like? What practice standards are needed? This type of engagement was,

and will be, the key to the success of condominium management regulation. RECA will launch the next phase of its consultation process early in 2016.

More recently, we started preparing for our next round of strategic planning. On October 1, we began the final year of our 2011-2016 Strategic Plan, and it's time to chart RECA's strategic direction for 2017 and beyond. We engaged Weaver Marketing Research to conduct a comprehensive survey of industry professionals. Almost 2,000 of you responded with constructive, honest input. We also have a series of Strategic Planning town hall sessions for industry professionals across the province. Industry professionals have a tremendous stake in this process and I encourage you to get involved.

This was an important year. The Alberta Real Estate Association completed its transition of all real estate pre-licensing education to us, we implemented a new real estate licensing model allowing real estate professionals to complete only the practice education courses for the areas of real estate in which they plan to work (residential, commercial and/or rural), and we launched the new myRECA, which was the culmination of an 18-month effort to bring a leading-edge, user-driven licensing system to Alberta's professionals. These projects could not have proceeded without the support, patience and understanding of our valued industry professionals.

Four new council members began their terms on November 1. I wish them, and the remaining Council members, continued success in the regulation of the industry. You can read more about them on page 12 of this newsletter.

If I could leave you with only one closing thought, it would be that Council wants to hear from you. Your industry peers sit on Council. Council is there to listen and to ensure the industry thrives while enhancing the level of professionalism and consumer protection. Get involved.

## Council Highlights

Transparency and accountability. At RECA, they're not buzzwords – they're part of our commitment to industry professionals. In the interest of both, we're going to start reporting on the highlights from Council meetings.

Highlights of Council activity at its October meeting:

- Council approved an amendment to the Code of Conduct for Council members. The amendment to clause 4 ensures there is no release of confidential information after a person's appointment to Council ends.
- Council members reported on their attendance at the annual Council on Licensure, Enforcement & Regulation (CLEAR) conference. More than 600 members of the regulatory community from across North America, Europe, Australia and New Zealand attend CLEAR's annual conference. Conference presentations focus on compliance and discipline; testing and examination issues; entry to practice issues; and, administration, legislation and policy.
- Council updated its policies for appointing a public member to Council, public appointments to Council committees and appointment of a non-AREA member to Council as recommended by the Governance Committee. The updated policies formalize the application and search process for these positions.
- Council approved a formal Stakeholder Engagement policy. For more on Council's Stakeholder Engagement Policy, check out the article on page 8 of this newsletter.
- Council reviewed survey results from Education Services on 2014-2015 pre-licensing education and an exit survey with learners who did not complete the Real Estate Associates Program. You can read about the pre-licensing education survey research results on page 9 of this newsletter.

In the future, Council highlight information will also be available on the RECA website.

# Renewal Roundup

The new licensing year began on October 1, and if there's one takeaway this year for industry professionals – it's that the number of industry members is relatively stable.

The total number of authorizations issued by RECA grew by 0.5% in 2014-2015 compared to the previous licensing year. Gains in the mortgage brokerage industry offset small declines in the real estate and real estate appraisal industries. The gain in mortgage reverses a 5-year decline trend. Over the past five years the other industry sectors have remained relatively steady.

Now that the annual renewal period is behind us, RECA would be remiss if it didn't take this opportunity to thank industry professionals for their adaptability to change during this year's annual renewal.

This was the first renewal period with the new myRECA online licensing system. And while that meant paperless renewals became possible, it also

meant challenges – for industry professionals and RECA staff. The vast majority of professionals embraced the user-driven, paperless experience and responded positively to the new system.

RECA understands the challenges a new licensing process can bring to industry professionals, but Alberta's industry professionals were up to the

challenge. Alberta industry professionals renewed at a faster and earlier rate than in previous years. The fact this happened in the same year we launched a new licensing system is even more of a testament to the professionalism of the industry. RECA cannot thank industry professionals enough for their support.



# Signing Documents on Behalf of Your Client

## Trying to be helpful may actually be harmful

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You're busy. Your clients are busy. Finding the time to meet in person to sign and go over contracts can be a scheduling nightmare.

Despite these busy schedules, though, we also know you make providing good service to your clients a priority. Taking the time to ensure everything is done properly protects your clients and their best interests.

Even if you're only doing it to help your clients out, did you know you can't sign or initial a contract on their behalf, even if

they give you written permission to do so?

Maybe your seller is on vacation and tells you to accept a conditional offer in their name while they're away. Or, maybe your buyer client is away on business and can't initial a counter-offer from a seller before it expires. Even if, in both cases, your client sends you an email instructing you to sign for them, you can't. Getting this type of permission in writing from your client is not enough.

Signed contracts in real estate and mortgage transactions are legally binding. In accordance with contract law, the only time someone can sign a legally binding document on behalf of someone else is if they have Power of Attorney. Power of Attorney gives another individual the right to make financial and legal decisions on a client's behalf and it's not a step most clients would

want – or need – to take.

Any contract not properly signed by the client can be null and void, and therefore not legally binding. If, for example, a client wants to back out of an offer to purchase or acceptance of an offer to purchase, they could technically use an improperly signed agreement as an excuse.

Fortunately, there are a range of options at your fingertips to communicate with clients, quite literally, at the click of a button. Laptops, tablets, smart phones and electronic signatures make it much easier to get a real signature from your client, even if you can't meet face to face.

For more information on electronic signatures and how to use them to avoid the situations mentioned above, click [here](#).

# Referral Fees from Third Party Service Providers

**Did you know they must go  
through your brokerage?**



Real estate and mortgage brokerage professionals work on behalf of the brokerage with which they are registered. Their brokerage is responsible for them and all of the duties they perform are on behalf of their brokerage.

Individual industry professionals often refer clients to third party service providers. For example, a real estate professional might refer their client to a home inspector or a mortgage professional might refer clients to a mortgage insurance provider.

Sometimes when a real estate or mortgage professional refers a client to a service provider, they receive a referral fee. Referrals and referral fees are acceptable, but industry professionals

can only accept a referral fee payment that goes through and is paid out by their brokerage.

In some cases, third party service providers arrange referral fee payments with a brokerage in a more formal ongoing agreement. The service provider may offer a fee with a set percentage going to the brokerage and a set percentage going directly to the associate who made the referral, paying both directly. Direct payment to an individual industry professional isn't allowed. Anytime an individual industry professional receives a referral fee, the fee must go through and be paid by their brokerage,

since everything that individual has done has been on the brokerage's behalf. If a service provider asks you to sign a document for direct payment, tell them they must make the payment to your brokerage.

All brokerages should have written policies and procedures for the payment of referral fees. Remember that the consumer you are referring must consent to the sharing of their information, and you must disclose to the consumer that you may receive a fee or compensation for the referral.

*Real Estate Act Rules s. 54(1)(c)*  
*Real Estate Act Rules s. 70(1)(c)*

# RECA's mandate and consumer initiatives: 20 years later

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RECA works in the public interest. We fulfill this part of our mandate by promoting the integrity of the industry and protecting consumers.

The move from government to self-regulation on July 1, 1996 brought with it a drive from within the industry for greater professionalism, and as a result, enhanced consumer protection.

Today, we provide a range of programs, services and information in support of our consumer protection mandate. They include:

- posting all disciplinary decisions on the RECA website, including news releases for all suspensions and lifetime withdrawals, and consumer alerts when needed
- offering an extensive licensing education

- program to industry professionals, which includes mortgage fraud education
- conducting rigorous licence application suitability reviews, including the requirement to provide a Certified Criminal Record Check
- Consumer and Industry Services staff to answer questions from consumers via telephone and email
- maintaining a Trust Assurance and Practice Review program, which includes voluntary practice reviews so brokers can ensure they comply with legislation
- a Professional Conduct Review team that investigates consumer complaints, including complaints about unlicensed activity
- maintaining regular communication with consumers through channels that include our [consumer website](#) with extensive consumer tips, conducting consumer surveys and focus groups, issuing consumer alerts,

- attending consumer trade shows, and a social media presence including consumer information videos on YouTube
- offering other consumer-friendly resources such as an industry professional search function on our website and the Consumer Relationships Guide
- administering the Real Estate Assurance Fund, which protects consumers who lose money as a result of fraud, breach of trust or a failure to disburse or account for money held in trust by an industry professional with respect to a trade in real estate or a deal in mortgages

We know our industry professionals provide quality service and serve the best interests of their clients, and we encourage you to continue sharing RECA consumer resources with your clients.



## RECA Makes Stakeholder Engagement a Priority

Council's decision-making process and its governance structure place a high priority on research, stakeholder engagement, and informed decision making. It is through stakeholder engagement that RECA ensures a strong industry and continued consumer protection. Stakeholder engagement is one way in which we demonstrate fairness, transparency, and accountability.

RECA has strengthened its commitment to building connections with industry stakeholders by formally adopting a new Stakeholder Engagement Policy.

We define stakeholder engagement as meaningful dialogue with individuals, firms and organizations

affected by its actions as it carries out its regulatory mandate.

Our goal is to engage with our many diverse stakeholders equally, effectively, transparently and in a timely manner, while ensuring that engagement is meaningful. We are committed to engagement on everything from new legislation and standards, to consumer initiatives and more.

A few of our key strategies include the RECA 20/20 Group, industry sector advisory committees, and broker forums. We also conduct regular surveys and release consultation papers, and we're in social media. The feedback we get from industry professionals through these methods is invaluable and helps us

implement initiatives that strengthen consumer protection, and enhance and improve the industry. RECA's real estate practice advisor travels across the province, making presentations to and speaking with brokerages and industry associations. The practice advisor position also provides real estate brokers with the opportunity to reach out to RECA when they need confidential guidance.

By formalizing our commitment to stakeholder engagement, RECA increases transparency and paves the way for more meaningful dialog with its stakeholders.

Read the RECA Stakeholder Engagement Policy, [here](#).

# Industry input helps improve pre-licensing education

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At RECA, we constantly strive to improve the quality of the pre-licensing education. As part of our commitment to continuous course improvement, we survey newly licensed associates and their brokers to gather their feedback.

In 2013, RECA launched its Fundamentals of Real Estate course in the Real Estate Associates Program (REAP) and AMBA launched the Practice of Mortgage Brokerage course in the Mortgage Associates Program (MAP).

In September 2013 and October 2014, we surveyed new associates who had completed their pre-licensing education and licensed in their profession within the 6 months prior to the survey. We also surveyed brokers for feedback on the competencies their newly licensed associates gained from their pre-licensing education.

## Survey key points

Feedback from the two surveys revealed:

- new associates report having higher levels of competencies related to their profession (2014 vs. 2013 survey)
- brokers report a higher level of competencies among newly licensed associates (2014 vs. 2013 survey)
- new real estate associates only want courses that apply to their intended area of practice
- new associates find the practical exercises are the most helpful part of their education
- new associates report a high correlation between having some level of brokerage training or mentoring opportunity and their satisfaction with the brokerage and the profession
- new associates look for brokerages that offer some on-the-job mentoring opportunities



## Using the Feedback

We thank the numerous survey participants for their generous feedback. After reviewing survey feedback, we implemented the following initiatives:

- RECA adopted a new real estate licensing model in June 2015 enabling learners to complete only the courses required for their intended areas of practice - residential, commercial, rural, and/or property management. Prior to this change, they were required to complete all of residential, commercial and

rural; just property management; or, all four practice courses

- RECA will continue to increase the use of practical examples and exercises, such as case studies, activities, scenarios, checklists, quizzes, and practice exams, in its pre-licensing courses
- new associates who participate in some level of training or mentoring at their brokerage express higher levels of satisfaction with their brokerage as well as their profession. As a result, RECA has updated its Real Estate Career Information

Session to include questions new real estate professionals may want to ask brokers, such as what training or mentoring opportunities they offer for new associates. The Information Session is available at no cost on the RECA website.

RECA will continue to conduct pre-licensing education surveys to gather valuable insights from new associates and their brokers. This will help us in developing future courses and enhancing existing ones.

# Strategic Planning: Get Involved

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It's time to start thinking about the future. RECA entered the final year of its current 5-year Strategic Plan on October 1, 2015, and as we start this final year, we need your help for our next round of strategic planning.

Strategic planning is one of the opportunities RECA offers that lets us have an open conversation with our valued industry professionals. We are self-regulated, and that means we want to hear your thoughts about strategic priorities.

We want to know what's happening in the industry now and what challenges

you expect to face in the future.

In late October, RECA launched an online survey for industry professionals, administered by Weaver Marketing Research. Almost 2,000 professionals responded. We'll report on the results of that survey in a future Regulator.

If you didn't have a chance to respond to the Weaver Marketing Research survey, RECA still wants to hear from you. We invite you to complete a shorter strategic planning survey at [https://www.surveymonkey.com/r/RECA\\_strat](https://www.surveymonkey.com/r/RECA_strat). Your thoughts about where the industry is

heading are important to us, and we hope you take the time to share them with us.

In September, RECA launched a series of **Strategic Planning town hall** sessions across Alberta. These sessions are a chance to share your feedback in person. If you haven't made it to a Strategic Planning town hall session and still want to, come down to one of the remaining sessions. You can be part of the conversation on November 10 in Grande Prairie, December 2 in Red Deer, or December 3 in Calgary. We look forward to hearing from you.

# Changing Council Faces

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The Real Estate Council of Alberta (RECA) is pleased to announce the selection of Krista Bolton as Chair of Council and Christine Zwozdesky as Chair-Elect.

Ms. Bolton is a Chartered Mediator with her primary practice in family mediation. She began her first term as a public member of Council on November 1, 2012, and the other members of Council reappointed her for a second three-year term beginning November 1, 2015. Her education includes a bachelor of science in linguistics from the University of Victoria as well as a certificate in Conflict Management from the ADR Institute of Alberta. She currently serves on the Alberta Real Estate Foundation as a governor and has served on the Finance and Audit, Hearings, and Governance Committees for Council.

Ms. Zwozdesky was appointed by Council in 2013 from nominations received from licensed property managers. She has more than 30 years' experience in the industry, and is a Past President of both the Building Owners and Managers Association – Edmonton Chapter and Edmonton's Commercial Real Estate Women (CREW) chapter. She serves RECA as Chair of the Property Management Advisory Committee, Chair of the Facilities Committee, Chair of the Condominium Management Implementation Advisory Committee and Vice Chair of the Residential Real Estate Advisory Committee.

Ms. Bolton and Ms. Zwozdesky will serve in these positions for a one-year term, ending on October 31, 2016.

RECA would also like to welcome four new Council members to the Council table. Their three-year terms began on November 1, 2015.

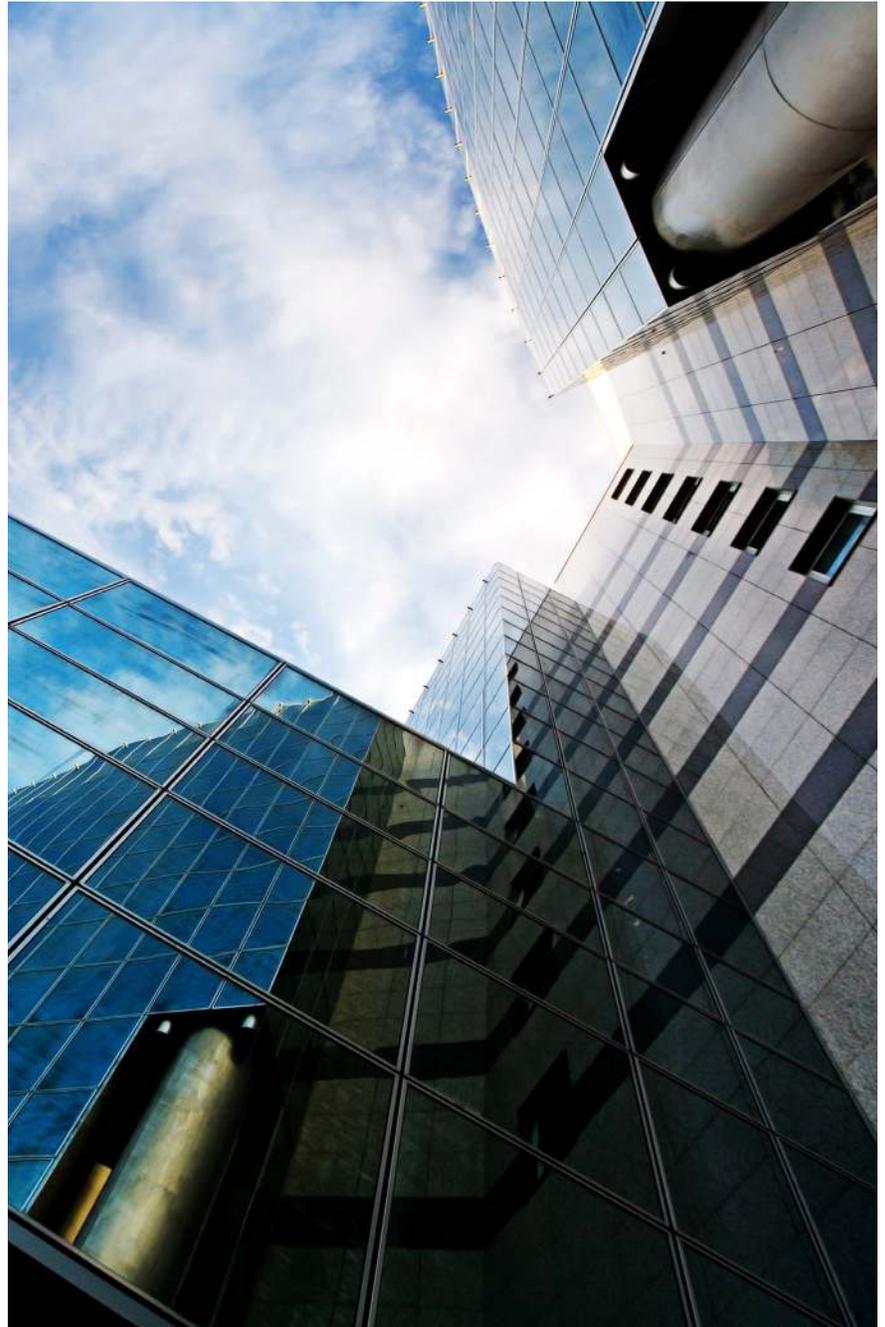
**Bonny Clarke:** Appointed by members of Council from industry members who are not members of the Alberta Real Estate Association, Bonny has spent the majority of her career in the broker lending channel. She is an active participant in the Alberta Mortgage Brokers Association and the Canadian Association of Accredited Mortgage Professionals. Bonny is also a past instructor of the Mortgage Broker 1000 course.

**Ramey Demian:** Appointed by the Alberta Real Estate Association (AREA), from industry members trading in industrial, commercial and investment real estate, Ramey has more

than 15 years of experience in commercial and residential real estate. He is currently a real estate associate broker at RE/MAX Real Estate in Edmonton, is an instructor with the REALTORS® Association of Edmonton and is a past AREA instructor.

**Stan Mills:** Appointed by the Alberta Real Estate Association (AREA) from industry members who are members of real estate boards outside of Edmonton and Calgary, Stan has been licensed for more than 35 years and has extensive experience in commercial and residential real estate. He was also one of the first to be certified to teach real estate courses for AREA. In 2013, he became an AREA Director, where he chaired the Forms and Practice Committee.

**Robyn Moser:** Appointed by the Alberta Real Estate Association (AREA) from industry members trading in residential real estate, Robyn started her career in real estate in 1998. She has worked with AREA and the Calgary Real Estate Board (creb®) on their political action committees and has participated in RECA's 20/20 group. She is also recent recipient of creb®'s Mentorship Distinction Award.



# RECA will be part of the review of Alberta agencies, boards and commissions

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The Government of Alberta recently announced a comprehensive review of the mandates, governance systems, and compensation practices of the province's public agencies, boards and commissions.

Service Alberta will begin this project by reviewing the 136 agencies, board

and commissions that fall under the *Alberta Public Agencies Governance Act* (APAGA). The second phase of the project will focus on the agencies, boards and commissions that do not fall under APAGA. RECA, as the organization that administers the *Real Estate Act* on behalf of the government, is included in the second phase. Service

Alberta anticipates its review of RECA will occur in Spring 2016.

At this point, the exact nature and scope of the review as it pertains to RECA are unknown, but RECA looks forward to working with Service Alberta on this important project.



# RECA Seeks Public Member for Property Management Advisory Committee

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Please forward this posting to anyone you know who may be interested in serving as a public member on the Real Estate Council of Alberta's (RECA) Property Management Advisory Committee. It can also be viewed on the RECA website at <https://www.reca.ca/careers.htm>. Current industry professionals are not eligible to fill this position.

RECA's mandate is to protect consumers, and provide services that enhance and improve the industry and the business of industry professionals.

RECA's five industry sector advisory committees provide a direct line to industry professionals and help maintain cooperation, communication and an exchange of information between RECA and the industry sector.

The committees also identify and advise council on trends and issues affecting the industry and consumers within the industry sector. Public members of these advisory committees have an important role to play in bringing the consumer perspective to the table.

The individual qualities, knowledge, skills, and experiences that would be an asset for a public member on the Property Management Advisory Committee include:

- communication, issue analysis, collaboration, and group decision-making
- independence, objectivity, sound judgment, and personal integrity
- experience on regulatory bodies or quasi-judicial tribunals
- commitment to RECA's mandate to promote the integrity of the real estate industry and protect consumers

If you are interested in enhancing consumer protection while contributing to the success of Alberta's property management sector, please forward a letter of introduction and resume **no later than November 27, 2015** to:

Rina Hawkins, Executive Assistant  
Real Estate Council of Alberta  
Suite 350, Richard Road SW  
Calgary, Alberta T3E 6L1  
E-mail: [rhawkins@reca.ca](mailto:rhawkins@reca.ca) or Fax: 403.228.3065

*Note: RECA would like to thank all individuals who apply for this position. Please note an expression of interest does not guarantee an interview or committee position.*

# News Bytes

## **Condominium Management Consultation**

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RECA's condominium management consultation process is ongoing, and we want to hear from you. In December 2014, the Government of Alberta passed legislation delegating authority to RECA to license and regulate condominium managers in Alberta. RECA is consulting with stakeholders throughout the condominium industry. We want to hear from condominium managers, boards and owners to help make the transition smooth and effective. To learn more and find out how to contribute, see our [Condominium Manager Regulation Consultation](#) paper, and come to one of the remaining [consultation sessions](#) to give your feedback in person. Join us in Calgary on December 1, or in Red Deer on December 2.

## **In memory: Glen Chapman**

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RECA offers its sincere condolences to the family and friends of Glen Chapman who passed away in late October.

Glen was one of the 11 original council members when RECA began in 1995. He served on Council from November 1, 1995 until October 31, 2000. Without fail, he was a dedicated and supportive member of the Real Estate Council of Alberta

In the early years, Council had much to accomplish in a relatively short period. Glen was always a willing and enthusiastic contributor and he became one of the builders of RECA. Glen also served as a governor on the board of the Alberta Real Estate Foundation.



## **2015-2016 Council Members**

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### **KRISTA BOLTON, CHAIR**

Appointed from the public

### **BONNY CLARKE**

Appointed from non-AREA industry members

### **RAMEY DEMIAN**

Appointed from the industrial, commercial and investment real estate sector

### **TONY DHALIWAL**

Appointed from the public

### **JOHN FARMER**

Appointed from the real estate appraisal sector

### **BRIAN KLINGSPON**

Appointed from the REALTORS® Association of Edmonton

### **ANGELA KOLODY**

Appointed from the boards outside of Calgary and Edmonton

### **STAN KUSHNER**

Appointed from the Calgary Real Estate Board

### **STAN MILLS**

Appointed from the boards outside of Calgary and Edmonton

### **ROBYN MOSER**

Appointed from residential real estate industry members

### **CHRISTINE ZWOZDESKY**

Appointed from the property management sector

### **VACANT**

Appointed from the mortgage brokerage sector

## **RECA Management**

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### **BOB MYRONIUK**

Executive Director

### **KIRK BACON**

Deputy Executive Director

### **DALE CAWSEY**

Director of Corporate Services

### **JOSEPH FERNANDEZ**

Registrar

### **JEAN FLANAGAN**

General Counsel

### **CHARLES STEVENSON**

Director of Professional Standards

## **CONTACT RECA**

The Regulator is published by the Real Estate Council of Alberta.

Please forward any questions regarding the content of the Regulator, or any questions regarding licensing or mandatory education, to [info@reca.ca](mailto:info@reca.ca)



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