

South Carolina Real Estate Commission
Inspection Taskforce Teleconference Meeting Minutes
Tuesday, February 13, 2024 at 2:30 p.m. Via WebEx

Public notice of this meeting was properly posted at the S.C. Real Estate Commission Office, Synergy Business Park, Kingstree Building, Commission website, and provided to all requesting persons, organizations, and news media in compliance with Section 30-4-80 of the South Carolina Freedom of Information Act. The telephone number and access code were provided on the posted agenda for members of the public wishing to join.

Taskforce Members Present:

Andy Lee – Commissioner, Taskforce Chair
John Rinehart – Commissioner

SCLLR STAFF PRESENT:

Kyle Tennis, Esq., Office of Advice Counsel
Erica Wade, Commission Executive
Ashlynn Brown, Administrative Coordinator
Jennifer Stillwell, Chief Inspector, Office of Investigations and Enforcement
Roger Richardson, Inspector, Office of Investigations and Enforcement
Garret Carter, Inspector, Office of Investigations and Enforcement
Jamie Bellamy, Inspector, Office of Investigations and Enforcement
Wattie Wharton, Lead Investigator, Office of Investigations and Enforcement

PRESENT:

Sean Cary, Court Reporter
Austin Smallwood, Esq., SCR

CALLED TO ORDER: Mr. Lee, Chair, called the meeting to order at 2:30 p.m.

APPROVAL OF AGENDA

Motion: To approve the agenda.

Moved by Mr. Rinehart and seconded by Mr. Lee, the motion was approved unanimously.

INTRODUCTION OF TASKFORCE MEMBERS AND STAFF

Taskforce members and staff introduced themselves.

UPDATED INSPECTIONS FORM

Mr. Tennis began by explaining that the original Inspections form was updated and separated into two drafted forms, one for Property Management and one for Real Estate offices. Staff wanted to check with the Taskforce members and get feedback to ensure the drafted forms are going in the right direction. Mrs. Stillwell shared her screen so that participants could see the forms being presented.

Mr. Tennis explained that the old inspections form was used as a basis for the new forms. The drafts also included recommendations from the Taskforce and inspections team, resulting in two

inspection forms to include more updated and detailed questions. Each form has questions tailored for that office type — Real Estate office or Property Management office. The forms will be used for both in-state and out-of-state offices, and there is a space on the forms to designate whether the inspection is for an in-state or out-of-state office. Inspectors have noted that for out-of-state locations, there may be an issue for inspectors choosing three random files to review. Mr. Lee expressed concerns that brokers-in-charge could cherry-pick documents to provide the inspectors. He recommended that, for out-of-state inspections, the inspectors should request a copy of the brokerage firm's MLS listings and then the inspector choose three files from that the MLS listings.

Mr. Rinehart inquired if licensees will also have access to the inspection forms. Mr. Tennis explained that at this time the forms are just for the inspectors; however, staff will work towards creating an inspections FAQ for licensees to help explain that inspections are legitimate, periodic, and what to expect. Mrs. Wade will also work on sending an e-blast to licensees with information regarding inspections, so licensees know what inspectors are looking for and why. Mr. Rinehart also suggested that inspections could be a newsletter topic because it is important for brokers-in-Charge and property managers-in-charges to know this information. It was discussed that the final versions of the forms should be placed on the Commission's website to allow licensees to understand what is expected of an inspection to help ensure compliance and set expectations.

Mr. Richardson inquired what would be an automatic failure of an inspection, other than commingling of funds. Mr. Lee suggested that if there should be more than a specific amount of no's answered on the form during the inspection, licensees should have up to six months to resolve the issues found during the inspection and, if the issues are not resolved when the inspector returns, then the inspector will need to file an internal complaint against that licensee for the Office of Investigations to review and investigate, resulting in the possibility of the licensee coming before the Commission for a disciplinary hearing. The same goes for licensees who are unresponsive to inspectors or do not allow an inspector to conduct an inspection.

Mr. Lee also requested to add a section to the inspection forms to ensure the listing agreement is legal, making sure the deed matches the listing agreement. This could help lower the number of issues with wholesaling. Mr. Richardson inquired as to what specifically should be in the files to make sure the listing agreement is legally correct. Mr. Rinehart stated a copy of the deed, or appointment of administrator of estate documentation, would suffice to ensure the listing agreement is legally correct.

Mr. Lee recommended that the Inspections team create a list of questions and opinions for the next Taskforce meeting.

Implementation guidance for inspectors and the Inspections team's list of questions will be discussed in the next Taskforce meeting, to meet before the April Commission Meetings.

PUBLIC COMMENTS

None

ADJOURNMENT

The meeting adjourned at 3:11 P.M.