Department *of* Commerce
Division *of* Real Estate

# REAL ESTATE COMMISSION
# DRAFT MEETING MINUTES

**September 23, 2026, 9:00 AM**

**Commissioners In Attendance:**

- Rick Southwick, Chair
- Jim Bringhurst, Vice Chair
- Marie McClelland
- Randy Smith
- Andrea Wilson

**Commissioners Excused:**

- None

## MEETING MINUTES

**1. Call to Order**

- Chair Southwick called the meeting to order and confirmed that a quorum was present, with all five commissioners in attendance.

**2. Review and Approval of Previous Minutes**

- Chair Southwick asked whether any changes were needed to the draft minutes of the August 19, 2026, meeting. None were offered.
- Vice Chair Bringhurst moved to approve the minutes. Commissioner Smith seconded. The Chair called for opposing votes, and none were voiced. The motion carried 5-0.

**3. Public Comment**

- Chair Southwick invited members of the public to address the Commission. Director Veillette reported that no hands were raised. There was no public comment.

**4. State-Approved Forms: Consideration and Action**

The Commission considered one modification to the previously approved revised Real Estate Purchase Contract (REPC) and revisions to three addenda recommended by the Utah Association of REALTORS (UAR) forms committee and then set effective dates for all four forms.

**4.1 REPC Modification: Section 8.2**

- Kreg Wagner, UAR, explained that the revised REPC had added "public infrastructure district" to the special assessment line item in Section 8.2. Industry members who work regularly with public infrastructure districts (PIDs) reported confusion over whether a PID bond levy would be treated as an additional property tax or as a special

assessment, and over whether a seller designated as responsible could be left with an ongoing obligation after closing. That was not the intent of the provision. Mr. Wagner stated that the property tax levy is better treated as a proration under Section 8.1. Based on industry input the UAR forms committee recommended removing the PID reference from Section 8.2 and strengthening the seller disclosures and the buyer due diligence checklist to highlight PID issues.

- Chair Southwick confirmed with Mr. Wagner that the change means a PID will not be treated as a special assessment under Section 8.2.
- Commissioner Wilson and Assistant Attorney General Elliott Clark asked for clarification of the highlighted text in the draft displayed on screen. Vice Chair Bringhurst and Mr. Wagner explained that the highlighted words ("or by special improvement district") are existing REPC language that remains, and that the modification deletes only the reference to a PID. Commissioner Smith recommended that the draft displayed show the deletion in strikethrough rather than highlighting the retained language. Commissioner Smith also noted that the change requires approval by the Office of the Attorney General. Commissioner Wilson asked whether the motion should address an effective date; Chair Southwick stated that effective dates would be addressed separately for all of the forms.
- **Action:** Vice Chair Bringhurst moved to approve the modification to Section 8.2 of the revised REPC. At the Commission's request for clarity, he amended the motion to state that the modification removes the reference to "public infrastructure district" from Section 8.2. At Assistant Attorney General Clark's request, the motion was made subject to approval by the Office of the Attorney General. Commissioner Smith seconded. The motion carried 5-0.

**4.2 Deposit of Earnest Money with Title Insurance Company Addendum**

- Vice Chair Bringhurst summarized his understanding of the addendum: when the buyer deposits the earnest money directly with the title company, the brokerage is relieved of liability for the deposit, and the title company has four days after receipt to deposit the funds into its account.
- Commissioner Smith supported the language allowing the buyer to deposit directly with the title company, where the REPC otherwise provides for deposit with the brokerage. Vice Chair Bringhurst noted that the addendum accommodates both arrangements. Chair Southwick noted that it is a one-page addendum.
- Assistant Attorney General Clark confirmed that each form considered at this meeting is a state-approved form within the meaning of the statute, so each is subject to approval by the Attorney General.

DRAFT

- **Action:** Commissioner Smith moved to approve the Deposit of Earnest Money with Title Insurance Company Addendum, subject to approval by the Office of the Attorney General. Commissioner McClelland seconded. The motion carried 5-0.

**4.3 FHA/VA Loan Addendum**

- Commissioner Wilson, who worked on the revision, explained two changes. First, the addendum's references to REPC sections were corrected. Second, the addendum now addresses FHA appraisals that meet the purchase price but are conditioned on repairs the seller must complete before closing, such as peeling paint, foundation cracks, or a roof with less than two years of remaining life. The lender will not issue the loan until those repairs are made, and the condition arises from the appraisal rather than due diligence or inspections.
- Commissioner Wilson explained that the revised REPC's default makes 50 percent of the earnest money nonrefundable when a buyer cancels based on financing. Under that default, a buyer could lose earnest money through no fault of the buyer's own when the seller declines to make repairs the appraiser requires. The revised addendum provides that if the required repairs exceed the amount the seller agreed to in the addendum, the buyer may cancel and retain the earnest money. The right is tied to the existing appraisal deadline and does not create a new deadline.
- Commissioner Smith supported striking paragraph 6 (closing costs) because closing costs now appear on the first page of the revised REPC, which removes ambiguity. Commissioner Wilson stated that this was one of the main clean-up items. Vice Chair Bringhurst noted that the parties can still negotiate a different amount by addendum.
- Chair Southwick asked whether the buyer could still cancel if the repairs exceeded the agreed amount and the seller was willing to pay the difference. Commissioner Wilson responded that the parties would need to agree to that in an addendum, because the underwriter will not issue the loan until the repairs are resolved.
- **Action:** Vice Chair Bringhurst moved to approve the modifications to the FHA/VA Loan Addendum, subject to approval by the Office of the Attorney General. The motion was seconded. The motion carried 5-0.
- Vice Chair Bringhurst asked Assistant Attorney General Clark how long approval might take. Assistant Attorney General Clark declined to estimate a date. He reported that the Attorney General's Office is aware that changes are coming and wanted the Commission's position before beginning its review, and he stated that he would submit the forms after the meeting.

**4.4 Seller Financing Addendum**

- Mr. Wagner described the revisions as updates to the addendum's REPC section references, which make the addendum more generic than the prior version.

DRAFT

- Chair Southwick questioned the buyer and seller initial lines added to page 3, which is the signature page. He stated that initials on a page that ends with signatures are redundant, are occasionally missed, and do not appear on the other forms the Commission has approved. Mr. Wagner agreed.
- **Action:** Commissioner Smith moved to approve the amended Seller Financing Addendum with one change, removal of the buyer and seller initial lines on page 3 of 3, subject to approval by the Office of the Attorney General. Commissioner Smith clarified that the motion covers both the buyer and seller initials. Commissioner Wilson seconded. The motion carried 5-0.

**4.5 Effective Dates for the Approved Forms**

- Chair Southwick proposed, following conversations with the Division, an effective date of November 1, 2026, with mandatory use by January 1, 2027. Assuming Attorney General approval, those dates would give forms vendors time to implement the changes.
- Vice Chair Bringhurst asked what would happen if Attorney General approval were delayed. Assistant Attorney General Clark stated that he could not guarantee timing but felt good about November 1, and that he would notify the Commission if it appeared to be a problem.
- Commissioner Smith suggested making the forms effective upon Attorney General approval, with mandatory use by January 1. Commissioner Wilson preferred a fixed date because other UAR forms and the form footer reference the effective date. Vice Chair Bringhurst noted that vendors need time to prepare. Chair Southwick added that a fixed date lets continuing education providers and brokers train agents, so that no one is caught off guard by a licensee who publicizes the new forms early on social media.
- **Action:** Commissioner Smith moved that the forms approved at this meeting take effect November 1, 2026, with mandatory use by January 1, 2027, subject to approval by the Office of the Attorney General. Commissioner McClelland seconded. The motion carried 5-0.

**4.6 Related administrative rule reference**

- Commissioner Wilson reported that a UAR forms committee member had identified an administrative rule that cites the agency section of the REPC. That citation now points to the wrong section of the revised REPC and will need to be revised. Justin Barney, DRE, stated that the Division will address it along with other rule changes in progress. Chair Southwick noted that the issue affects the rule, not the REPC language.
- Chair Southwick thanked those involved in the REPC revision. He reported that when he returned from the UAR Convention in Moab he had a voicemail about the Section

DRAFT

8.2 issue, that Mr. Wagner had received the same and additional calls, and that he considered it a good result that only one issue had surfaced so far.

**5. Division Reports**

**5.1 Director's Report: Leigh Veillette, Division Director**

*At Chair Southwick's request, these minutes record the Director's report on Oklahoma's wholesaling statute, the Commission's discussion, and the Commission's consensus in detail.*

- **Oklahoma real estate wholesaling statute**
  - Director Veillette reported, at Chair Southwick's request, on Oklahoma's real estate wholesaling law enacted by Senate Bill 1075, which she understood took effect November 1, 2025. Oklahoma chose to regulate residential wholesaling without licensing it.
  - Director Veillette described wholesaling, sometimes called assignable contracts, as a practice in which a person enters into a purchase contract with a seller without intending to complete the purchase, then markets the contract in hopes of assigning it for an assignment fee. In practice the wholesaler usually offers a depressed price and assigns the contract at a higher price, keeping the difference.
  - The seller, and sometimes the seller's licensed professional, may not know the practice is occurring. Wholesalers do not always obtain permission to make the purchase contract assignable, and they often advertise the property without the owner's consent, which causes confusion in the transaction.
  - On entering into the contract in Utah, the wholesaler obtains an equitable interest in the property. When the wholesaler then works to assign the contract, the wholesaler is acting on the wholesaler's own behalf, which places the activity outside licensed activity under Utah law.
  - Based on discussions at Association of Real Estate License Law Officials (ARELLO) conferences, the issue arises nationwide. Some states have outlawed the practice, some have made it licensed conduct, and others, including Oklahoma, regulate it without making it licensed conduct.
  - Oklahoma added a definition of "wholesaler" and imposed disclosure, contract-content, and cancellation duties on anyone who meets the definition, whether or not the person is licensed. Key elements reported:
    - The wholesaler must give the seller written disclosure of the intent to assign the contract at a higher price.
    - The seller has a two-business day right of rescission. The bill was introduced with a seven-day period and amended to two days.
    - The law requires an escrow deposit and prohibits the wholesaler from clouding the seller's title.
    - The provisions were placed in Oklahoma's real estate license code, the equivalent of placing them in Utah's Real Estate Licensing and Practices Act.

DRAFT

        - The Oklahoma Real Estate Commission may fine an unlicensed wholesaler and may ask a court to enjoin the practice.
        - The law requires the state to publish a cancellation form for sellers, which the Oklahoma Real Estate Commission has done. It has also issued a compliance guide for brokers and an educational video.
        - Director Veillette found no Oklahoma administrative rules implementing the law, although the law grants rulemaking authority for any rules that are necessary.
        - The law imposes no license, registration, bond, or certificate requirement, so it regulates the conduct without creating a barrier to entering the business.
- **Commission discussion**
    - Commissioner Smith supported the concept and asked whether the Division has rulemaking authority over unlicensed individuals. Director Veillette explained that the Commission, in conjunction with the Division, may make rules that apply to licensees and licensed conduct, and that those rules reach an unlicensed person only when that person was required to be licensed and engaged in the conduct. Commissioner Smith observed that statutory changes would be needed to give the Commission authority over unlicensed individuals in this limited area.
    - Director Veillette reported that the Division intends to run a clean-up bill in the upcoming legislative session, which is still being put into a draft that can be shared with stakeholders. She has proposed language to bill sponsor Representative Neil Walter that would address wholesaling through disclosure and cancellation requirements without making it licensed conduct, and that would bring a person engaged in wholesaling within the Commission's jurisdiction if the person violates the law. The language is subject to the sponsor's approval and to drafting by the Office of Legislative Research and General Counsel. Director Veillette stated her view that a license or registration does not solve every problem, and that the issue with wholesaling is a lack of candor with the seller and the seller's licensed professional and the seller's need for an opportunity to unwind the transaction after learning its true nature.
    - Vice Chair Bringhurst asked whether Oklahoma penalizes a wholesaler who fails to give the disclosure. Director Veillette stated that she believed a failure to disclose could lead to sanction by the Oklahoma Real Estate Commission and might give the seller additional cancellation rights. She added that, as Oklahoma officials described at an ARELLO conference, Oklahoma arrived at its current approach after several earlier versions that people found ways around. Vice Chair Bringhurst asked that a consequence for failing to disclose be included in any Utah proposal, because the most common problem he sees is that the seller and the agents did not know wholesaling was occurring.

DRAFT

- Chair Southwick thanked the Director. He noted that Ohio passed a law in the last couple of years that is mostly disclosure-based, and that a recent AARP publication carried a cover story on wholesaling abuse, which suggests a potential elder-abuse component. He noted that wholesalers advise one another not to obtain a license because a license creates fiduciary duties. He supported the approach because it protects consumers and puts guardrails on the practice without creating barriers to free enterprise, and he asked whether the Commission should make a motion directing the Division to pursue legislation or schedule a special meeting with the sponsor.
- Director Veillette responded that the Commission's expressed interest on the record is sufficient. She will relay it to Representative Walter, and once a draft exists it will be circulated to stakeholders, including the Commission and UAR. She noted that most of the bill consists of traditional technical clean-up changes, but that the wholesaling provisions represent additional regulation. For that reason, expressions of support, thoughts, or concerns on the circulated draft will help both the Division and the sponsor, because the Legislature tries to balance public protection against requirements that are onerous or that present a barrier to business.
- Commissioner Smith commented that the consumer protection aspects might be enforceable under current law, but that matters involving real estate belong within the Commission's purview.
- Chair Southwick requested that the minutes reflect detail on Oklahoma's approach, the Commission discussion, and the Commission's consensus that the Director pursue this with the Legislature. He noted that wholesaling received less attention while the market was hot, but that inventory is now at a 10- to 12-year high. With fewer homes selling locally and nationally in certain segments, he expects the practice to become more prevalent and considers the issue timely.
- No formal motion was made. The Commission expressed its consensus in support of Director Veillette pursuing legislation with the sponsor that would regulate residential wholesaling through disclosure and cancellation requirements without making wholesaling licensed conduct.

- **Property manager license fees: Commission concurrence**
  - Director Veillette requested the Commission's concurrence in the initial fees for the new property manager license program, which begins January 1, 2027. She explained that the Department sets fees through a public fee hearing conducted by an administrative law judge after public notice, and that the hearing has been held. The Division proposed setting the property manager fees at the level of the sales agent fees. Because the Division is fee-funded, the cost of regulation is borne by the licensees it regulates. The Division cannot yet forecast the size of the program, although industry members have suggested it

DRAFT

could reach thousands of licensees, so the fees may need to be adjusted after the program starts.

- The proposed fees are:
  - $100 initial application fee;
  - $48 renewal fee every two years; and
  - $50 fee for changing an entity's principal property manager.
- Existing background check fees also apply. These are a pass-through, because the Bureau of Criminal Identification bills the Division for background checks.
- Chair Southwick invited discussion. Commissioners indicated the fees were reasonable. Chair Southwick noted that the request reversed the usual practice, in which the Division concurs with the Commission.
- **Action:** Commissioner Smith moved that the Commission concur with the Division's proposed fees for property manager licensing. Commissioner Wilson seconded. The motion carried 5-0.

**5.2 Licensing and Education Report: Laurel North, Licensing and Education Manager**

- Standard sales agent applications are being approved in 7 to 14 days, about half the previous time. The Division set a record three-day turnaround for a complete application submitted with electronic fingerprints. Applications with disclosure items requiring panel review take no more than 21 days, and most are completed in 14. No pending application currently exceeds those time frames; delays generally result from incomplete applications or disclosure items.
- A new, time-limited licensing specialist has helped reduce processing times. The team also stopped assigning work alphabetically, now routes calls to the next available person, and tracks submitted applications on a shared list so that each is reviewed within a few days. Ms. North credited her team, including mortgage and appraisal staff who have helped answer calls while the new program starts.
- Commissioner Smith reported consistently good experiences onboarding new agents in recent months. Vice Chair Bringhurst reported that a new agent who recently joined Windermere was licensed in a few days.
- Chair Southwick asked what could be done to retain the time-limited licensing specialist. Ms. North stated that the position is funded for three to six months. Director Veillette stated that public feedback from commissioners on how processing times affect business is helpful. She added that the Division hopes to include in its clean-up bill a revision of the Real Estate Recovery Fund language so that fund money can be used to hire time-limited licensing staff, because the current language is more restrictive. Chair Southwick asked the Division to let the Commission know how it can help.

DRAFT

- Beginning today, broker and dual broker applications are paperless and submitted online. Pearson VUE is rolling out a one-page score sheet that directs applicants to ML1 in place of its five-page report, which should shorten broker approval times.
- The Division newsletter will be issued in the first week of October. Planning has begun for the spring Caravan, and the Division welcomes suggestions for speakers; an HOA speaker at the last Caravan, Erin Rider, Director, Office of the HOA Ombudsman, was well received.
- The Division is finalizing the property management prelicensing and education outlines and will provide them to schools and providers so that courses are available for the January 1 launch. The sales agent and broker exams will be finalized once the REPC is approved, because the exams include an image of the REPC. The property management rules are closer to completion following the committee meeting held the day before, and the Division must integrate them into its technology plan for the licensing system.
- The Division's Instagram and Facebook accounts have grown to thousands of followers, from about 25 roughly a year ago. Ms. North credited Hallee Booth, Commerce, the Division's communications specialist, for more informational posts.
- The Division recorded a net loss of 404 licenses, which Ms. North described as atypical and attributed mainly to sales agents leaving rather than paying renewal fees. Broker licenses decreased by 12, while branch offices increased by 8. Continuing education providers increased by 4, and the Division is receiving many applications for property management courses; it finished streamlining the course application the day before. The next priority is moving education schools, providers, instructors, and courses fully online, followed by property management integration.
- Commissioner Wilson thanked Ms. North and her team for the improvements to social media, the newsletter, and licensing.

**5.3 Commission and Industry Issues: Justin Barney, Hearing Officer and Records Manager**

- A licensing hearing scheduled for this meeting was continued at the licensee's request. The licensee indicated that he wanted to hire an attorney to assist with his appeal. The hearing is expected to be placed on the October agenda.
- Mr. Barney thanked the members of the property management rules committee, including Chair Southwick and Commissioner Wilson, along with Division staff and industry members, and recognized Mr. Wagner’s contributions. The committee has moved from meeting about once a month to weekly and now twice-weekly meetings. The goal is to have the rule in place by January 1, 2027, when the property manager license becomes available.

DRAFT

- Chair Southwick asked whether the rule would come before the Commission next month. Mr. Barney stated that the committee has finished reviewing the entire rule and expects to present it for the Commission's approval. Director Veillette stated that a special meeting will probably be needed to meet a rule filing window that closes before the Commission's October 21 meeting, and that the need will be assessed after the committee's next meeting on Monday. Mr. Barney added that any special meeting would be short, limited to reviewing the committee's recommendation, and would require at least a majority of the Commission to approve the rule for filing.

**5.4 Enforcement Report: Bryn Kaelin, Chief Investigator**

- The Division received 44 new cases and closed 47 during the month, so closures exceeded intake. The open caseload decreased to 190 pending cases, and staff continue to prioritize and triage older files. Twenty-five cases are pending legal action.
- Chair Southwick noted that this was the fourth consecutive month in which closures exceeded intake, and that the open caseload had once been in the 500s to 600s. He stated that more timely adjudication benefits the whole industry. Chief Investigator Kaelin stated that the team is working to continue the trend.
- Chief Investigator Kaelin reported four stipulations for the Commission's consideration and turned the presentations over to the investigators.

**6. Stipulations Presented for Commission Consideration**

- Division investigators presented four proposed stipulations and orders:
    - In the Matter of Kimberly Green, Docket No. RE-2026-114
    - In the Matter of Marcella Torrez, Docket No. RE-2026-128
    - In the Matter of Parker Forman, Docket No. RE-2026-126
    - In the Matter of Daniel M. Mooy, Docket No. RE-2026-103

**7. Executive (Closed) Session**

- Commissioner Wilson moved to close the meeting. Vice Chair Bringhurst seconded. The motion carried 5-0.
- Before the Commission entered the closed session, Commissioner Wilson noted that a respondent was present, and Chair Southwick invited any respondent to address the Commission. After resolving audio difficulties, Respondent Daniel M. Mooy stated that he does not reject the stipulation and accepts the penalties. He apologized to the Commission and to everyone involved, stated that he has taken steps to improve himself, and stated that he intends to reapply when eligible and will try to remain in good standing during the revocation period. The commissioners had no questions for him.

DRAFT

- The Commission entered a closed session for the purpose of discussing the character, professional competence, or physical and mental health of an individual.
- The Commission returned to the open meeting.

**8. Action on Stipulations**

- **Green:** Commissioner McClelland moved to accept the Green stipulation and order. Commissioner Wilson seconded. The motion carried 5-0. The Division concurred.
- **Torrez:** Commissioner Wilson moved to reject the Torrez stipulation and order. A commissioner seconded. The motion carried 5-0. The Division concurred.
- **Forman:** Vice Chair Bringhurst moved to accept the Forman stipulation and order. Commissioner McClelland seconded. The motion carried 5-0. The Division concurred.
- **Mooy:** Commissioner Smith moved to accept the Mooy stipulation and order. Vice Chair Bringhurst seconded. The motion carried 5-0. The Division concurred.

**9. Adjournment**

- Chair Southwick asked whether any other matters needed to come before the Commission. None were raised.
- Commissioner McClelland moved to adjourn. A commissioner seconded. The motion carried 5-0.

**Meeting adjourned.**

**NEXT MEETING**

October 21, 2026 (Special Meeting October 9, 2026)

**2026 MONTHLY MEETING SCHEDULE**

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|---|---|---|---|---|---|
| ~~Jan 21~~ | ~~Feb 18~~ | ~~Mar 18~~ | ~~Apr 22~~ | ~~May 20~~ | ~~Jun 3 & Jun 10~~ |
| ~~Jul 15~~ | ~~Aug 19~~ | Sept 23 | Oct 21 | Nov 17 | Dec 15 |

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