

Matt Steele
2840 N Alma Dr
Wasilla, AK 99623
907-244-4343
Msteele1979@gmail.com

To Whom it May Concern,

I am writing to voice my opinion against HB 281. I am in agreement with the concerns that many have voiced in needing to better protect the public, however I think adding the time to be licensed component is a misguided path to doing so and changing the education requirement is more in line with accomplishing the actual goals that we all want accomplished.

In the current language of the statute, the requirement to qualify for a real estate broker license states that a licensee must fulfill certain education requirements and must have "...had at least 24 months of active and continuous experience as a real estate licensee within the 36 months immediately preceding the application for the broker license...". What this requirement has never outlined is the definition of "active and continuous experience". With this language, someone could theoretically have a salesperson license for the four year required time while only performing a minimal amount of transactions per year. There are licensees that may only see 1 or 2 transactions in any given year who technically qualify to get their broker license, while there are other licensees who may see 10-20 transactions in that time frame who would be blocked for an additional 2 years under this proposed change.

It is my personal belief that adding this time requirement will do little to nothing to increase the quality of brokers and associate brokers that we have conducting business. In fact, I believe that this time requirement will result in being a net negative as it will ultimately raise a bar which is neither performance nor activity based. I give myself as an example. I have been licensed for less than a year at the time that I write you this letter, but previous to getting my license I was in management in the automotive industry. I spent 11 years working for an automotive group in Anchorage and Wasilla in positions as high as General Sales Manager of a dealership. Managing people has always been a part of my professional life. One of the arguments that I have heard repeatedly in support of this change is that a 2-year Broker does not have the experience to manage people effectively. I don't disagree with this, but there are also brokers with significantly more experience than 2 years that do not have the experience or ability to manage people. In contrast, some of the most influential individuals that are licensed as brokers were able to get their license at the 2 year mark. Two such individuals that fall into that category are Errol Champion and the managing broker at Century 21, Devon Thomas. There are very few people who would disagree that these two are some of the most influential people in real estate in Alaska.

The proposed changes also do very little to align Alaska's licensing requirements with those of the rest of the country. In fact, the proposed changes would make us one of the longest waiting periods while remaining one of the lowest education requirements. Currently in the United States, there are only 13 states that have a time requirement of over 2 years and an additional 14 states (excluding Alaska) that have the minimum requirement of 2 years. Changing our minimum time requirement to 4 years would put us as one of only 3 states (Delaware and Texas being the other two) that have such a long

requirement. At the same time, making the proposed education change would put us in line with only four states that have such a low requirement for broker licensing. The other three states with 30 hours or less education requirement are Kansas with 24, Tennessee with 30, and Wyoming with 8. If our goal is to tighten up or licensing requirements and better protect the public, why are we making such a small change to the education requirement? If our goal is to be better in line with other state's requirement as the Real Estate Commission has previously indicated, why are we making a change to the time requirement that puts us with greater time requirements than so many other states?

In addition to the concerns highlighted above, there is an area of the proposed bill which greatly impacts myself and others who have thus far put in time and effort to further our careers. As it stands right now on Page 3, Line 28 the Act proposes to take effect on Jan 1st, 2017. Through a series of events outside of my control this will mean that I will miss the cutoff date for broker qualification by a matter of weeks. The statute currently allows me to qualify to test for the broker examination on or after August 27th, 2016. Here is the statute: **"AS 08.88.171 (a) A natural person qualifies for a real estate broker license if the person passes the brokers examination, applies for a license within six months after passing the examination, furnishes satisfactory proof of successful completion of the education requirements of AS 08.88.091 , has had at least 24 months of active and continuous experience as a real estate licensee within the 36 months immediately preceding application for the broker license..."** My 24 months of active and continuous experience as a real estate licensee will occur on February 27th, 2017. Six months before that is August 27th, 2016. What is to happen if I qualify and pass the examination but the new Act goes into effect in the interim? I will have lost the time and money investment in getting my broker required training. This would put myself and anyone else in that same time frame at an unfair disadvantage the way that the bill is currently written and I believe that if there is no other relief there should be a grace period for those of us who would at least qualify otherwise.

I believe that if we are to make a change to the licensing requirement, we would be better served by increasing the education requirement or by adding a transactional requirement. Changing the requirement to 4 years from the current 2 without allowing any sort of exception at all will serve the public with little to no good other than to add an arbitrary restriction of time to those of us who are willing and able to put in the work. I also believe we are rushing this bill into Act without closely examining the implications of the change.

Thank you for your time.

A handwritten signature in black ink, appearing to read 'Matt Steele', with a long horizontal line extending to the right.

Matt Steele