

MINUTES OF MEETING
OF
LOUISIANA REAL ESTATE COMMISSION

June 20, 2019

The Louisiana Real Estate Commission held its regular meeting on Thursday, June 20, 2019, at 9:00 a.m., at 9071 Interline Ave, Baton Rouge, Louisiana, according to regular call, of which all members of the Commission were duly notified, at which meeting the following members were present:

COMMITTEE

Richman Reinauer, Chairman
Patrick Roberts, Jr., Vice Chairman
Lacy Baaheth, Secretary
Jeffrey Donnes
Jeff Free
Eloise Gauthier
Steven Hebert
Deanna Norman
Matt Ritchie
Evelyn Wolford

STAFF

Bruce Unangst, Executive Director
Summer Mire
Ryan Shaw
Mark Gremillion
Damien Smart
Nikki Senegal
Malissa Fowler
Telly Hollis
Logan Cockerham
Jenny Yu

GUESTS

Kim Calloway – Louisiana REALTORS®
Tim Tullos – Keller Williams
Andrew Baker – Burk Baker School of Real Estate and Appraisal
Pat Caffery – Former Commissioner

Commissioner Greenup was unable to attend.

Chairman Gauthier led the invocation; Commissioner Roberts led the Pledge of Allegiance.

MINUTES

Commissioner Gauthier made motion, seconded by Commissioner Hebert, to approve the minutes of the meeting of May 2, 2019. Motion passed without opposition.

(Attachment A)

COMMITTEE REPORTS:

1. Budget – Commissioner Free reviewed the budget report with the Commissioners. He stated that revenues are down due to a decrease in delinquent fees caused by an increase in on-time renewals. He also stated that net assets have risen since the beginning of the year. He reminded the Commissioners that June 30 is the end of the fiscal year and that expense reports are due. He stated that the licensee count is the highest that is has been in many years.

(Attachment B)

2. Education/Research/Publication – Commissioner Gauthier stated that Amy Fennel came before the Commission recently for approval of a seven-hour course for the CCIM Energy Conference that was held in Baton Rouge. She stated that Ms. Fennel has reached out to request that the course be approved for an additional hour. Commissioner Norman made motion, seconded by Commissioner Wolford, to approve the course for eight hours.

Chairman Reinauer asked if the Commissioners were comfortable approving the course without more information just because Louisiana REALTORS asked. Commissioner Wolford stated that she was comfortable approving the extra hour because of her positive experience with CCIM courses in the past. Commissioner Ritchie stated that he agrees that the courses are quality and the extra hour is deserved. After discussion, motion passed without opposition.

Commissioner Gauthier stated that the State Reporting partnership has been going very well. She stated that it has been very beneficial to licensees, staff, and vendors. Commissioner Gauthier made motion, seconded by Commissioner Wolford, to renew the State Reporting contract for another year. Motion passed without opposition.

Commissioner Gauthier stated that she met with the successful bidder of the RFP for the 2020 Mandatory Course. She stated that she is very excited to be working on the project and is looking forward to a quality course.

Commissioner Gauthier asked if any Commissioners have suggestions for the 2021 Mandatory Course. She stated that she would like to see property management and errors and omissions as topics. She asked that the Commissioners be thinking about ideas for a 2021 topic.

Commissioner Gauthier asked if the Commissioners think that there is a need for a 2021 Broker Mandatory Course. Commissioner Wolford stated that she would like to hold off on any decisions until the commissioners can explore potential topics.

3. Legal/Legislative/Timeshare – Commissioner Ritchie stated that he has formed a workgroup for discussion of a separate commercial license. He stated that he has spoken with a few brokers from around the state that are primarily in commercial sales to serve on the task force. He stated that he plans to have three meetings. He stated that the first would be the Wednesday prior to the July meeting. Staff will be researching what other states do regarding separate licenses for commercial practitioners. Commissioner Ritchie asked that anyone interested in joining the workgroup reach out to him soon.
4. Standardized Forms – Commissioner Roberts stated that the Standardized Forms Committee met last Wednesday. He thanked staff for their assistance. He stated that the Commissioners have a draft copy of the edited Property Disclosure Document in their packets. He stated that the Committee changed many of the questions to be phrased as “are you aware of...” and give the answer options of yes and no. He also stated that the Committee addressed the issue of Historic Districts by creating a supplemental disclosure. He stated that this disclosure is not mandatory and could be replaced by other similar disclosures made for individual areas.

Commissioner Wolford asked if there is any additional legislation pending that could impact these changes. She stated that she is worried about jumping back into the use of “no” versus “not known” until the Commission is sure that there is no additional legislation.

Mr. Unangst stated that he believes that the use of “are you aware of” makes it much clearer to consumers using the form than the use of direct questions with the answer “not known.” Ms. Calloway stated that changing the questions to ask “are you aware” also reminds the person of the fact that they are expected to answer the questions to the best of their ability.

Chairman Reinauer asked that the Commissioners take the draft home and review it with their peers and bring back any comments they may have at next month’s meeting.

Ms. Calloway stated that the law requires use of the mandated contract provided by the Commission and that the law also states that individuals may be penalized for not following the law as written. She stated that Fannie Mae has their own standardized contract, which differs from the Louisiana-mandated contract. She stated that Fannie Mae wants the Commission to clarify that licensees will not be penalized for using their contract.

Commissioner Roberts made motion, seconded by Commissioner Wolford, that the Louisiana Real Estate Commission will not censure, suspend, fine, or impose civil penalties or continuing education requirements on licensees pursuant to LA R.S. 37:1455 when not completing the purchase agreement form prescribed by the LREC as set forth in LA R.S. 37:1449.1 in making an offer to purchase or sell residential real property where Fannie Mae, Freddie Mac, the Department of Housing and Urban Development (HUD), the Department of Veterans Affairs (VA), the United States Department of Agriculture Rural Development (USDA) or the United States Department of Agriculture Farm Service Agency (FSA) are sellers and require the use of proprietary purchase agreement or contract. Motion passed without opposition.

(Attachments C, D, and E)

5. Strategic Planning – Commissioner Baaheth stated that she has completed her list for strategic plan. She thanked the Commissioners for their work on this project.

6. Errors & Omissions – Commissioner Norman stated that it is time to renew the E&O Insurance contract. She stated that RISC has offered to extend the same rate for 2020-21 per our contract option to renew. Commissioner Norman made motion, seconded by Commissioner Baaheth, to approve the option to renew with RISC. Motion passed without opposition.
7. Technology – Chairman Reinauer asked if a staff member could give a report in Commissioner Greenup’s absence. Mr. Unangst stated that the Commission is in the process of replacing the scanner that has been in use by the office since 1998. He stated that the replacement is necessary to improve staff functions and increase service to licensees. Mr. Smart explained that the new scanner will make bulk scanning easier and faster and would cost the Commission around \$8,000 for the machine and software.

Mr. Smart also stated that staff is acquiring a new server, which is necessary to increase online storage capacity for when we begin to accept online forms.

Commissioner Roberts asked for an update on digitizing forms. Mr. Unangst stated that staff is nearing the end of the conversion from CAVU to a new licensing software. He stated that the goal is to have the new licensing software completed by September. Mr. Smart stated that upon completion of the licensing software, staff would begin to release digital forms to the public.

DIRECTORS REPORT:

Mr. Unangst stated that it is time for the quarterly newsletter. He stated that Ms. Shaw is working on gathering content for the newsletter. He asked that the Commissioners send any ideas for content to Ms. Shaw.

Mr. Unangst stated that, in response to past requests from the Commission, the Commissioners have a report in their packets detailing the recent work of the Investigations Division.

(Attachment F)

Commissioner Donnes asked if this report can be shared in the upcoming newsletter. Ms. Shaw stated that she would double check with legal counsel to make sure that it is ok to share.

Mr. Unangst introduced staff member Logan Cockerham. He stated that Mr. Cockerham is the Commission’s newest staff member and has joined the Investigations Division as a Compliance Investigator.

Mr. Unangst stated that interviews recently concluded for the Director of Investigations position and that Mr. Tom Devillier has accepted the position. He stated that Mr. Devillier is an attorney who was formally employed with the Louisiana House of Representatives and has assisted staff with past legislation related to real estate and appraisals. He will be a beneficial new hire, working on adjudications, cite and fine, and other legal issues within the Investigative Division.

He also stated that there is ongoing reorganization within the Investigative Division, wherein Ms. Mire is updating an administrative position to handle all aspects of investigating audits. This will give investigators more time to work on cases and do more field work.

Mr. Unangst stated that Ms. Hollis recently attended a training course and that he is planning to have more investigators attend beneficial training courses. He stated that he is very pleased with the direction that the Investigative Division is headed.

PUBLIC COMMENT:

Mr. Caffery stated that the Louisiana Real Estate Commission was created in 1920 by a developer from New Orleans. He stated that the language of the original bill creating the Commission addressed the practice of real estate in the state. He stated that he is concerned with the current practice of real estate due to the increased use of technology. He stated that emailing contracts and the use of Dot Loop and DocuSign have made it easier for confusion in transmitting offers.

Commissioner Roberts read 3905. B. from the LREC Rules and asked if there was anything that could be added to clarify this issue. Mr. Caffery stated that the use of “reasonable effort” is ambiguous and means different things to different agents. He stated that it might need to be an education effort to make sure that all licensees know what is expected when presenting offers.

UNFINISHED BUSINESS:

None

NEW BUSINESS:

None

EXECUTIVE SESSION

None

There being no further business, Commissioner Roberts made motion, seconded by Commissioner Donnes, to adjourn. Motion passed without opposition.

RICHMAN REINAUER, CHAIRMAN

LACY BAAHETH, SECRETARY