

**MINUTES OF MEETING**  
**OF**  
**LOUISIANA REAL ESTATE COMMISSION**

**April 23, 2015**

The Louisiana Real Estate Commission held its regular meeting on Thursday, April 23, 2015, at 10:00 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:

**COMMISSION**

James Gosslee, Chairman  
Lynda Nugent Smith, Vice Chairman  
Evelyn Wolford, Secretary  
Paul Burns  
Archie Carraway  
Jeffrey Donnes  
Kelly Ducote  
Steven Hebert  
Richman Reinauer  
Cynthia Stafford  
Frank Trapani

**STAFF**

Bruce Unangst, Executive Director  
Arlene Edwards, Legal Counsel  
Summer Mire  
Debbie Debrates  
Dusty Evans  
Mark Gremillion  
Robert Maynor  
Chad Mayo  
Stacy Sharpe  
Ryan Shaw  
Marsha Stafford  
Jenny Yu

**GUESTS**

Burk Baker – Burk Baker School of Real Estate & Appraisal  
Jean Carraway  
Brei Delahousse – Louisiana REALTORS  
Chris Donaldson – Donaldson Real Estate School  
Amy Fennel – Latter & Blum  
Brent Lancaster – Bob Brooks School of Real Estate  
Norman Morris – Louisiana REALTORS  
Roy Ponthier – ProEducate  
Matthew Reonas – Department of Natural Resources  
Rick Roberts – Louisiana REALTORS  
Gary Snellgrove – Department of Natural Resources

Commissioner Donnes led the Invocation; Commissioner Burns led the Pledge of Allegiance.

## MINUTES

Commissioner Nugent Smith made motion, seconded by Commissioner Wolford, to approve the minutes of the meeting of February 19, 2015. Motion passed without opposition.

## COMMITTEE REPORTS:

1. Budget – Commissioner Stafford reviewed the budget report. She stated that operating and supply costs are down and revenue is up due to renewals. Licensee count is still going up and there appears to be no red flags in the report. Professional services have increased due to technology contract costs.

(Attachment A)

2. Education/Research/Publication – Commissioner Ducote stated that the Education committee met prior to the meeting. Task force workgroups were formed for two issues. Commissioner Wolford made motion, seconded by Commissioner Nugent Smith, to form a task force within 60 days to research broker course content to include pre and post licensing and continuing education. Commissioner Burns made motion, seconded by Commissioner Nugent Smith, to form a task force to discuss the education reporting system as well as the education cite and fine program. This task force will be chaired by Commissioner Stafford. Commissioner Wolford made motion, seconded by Commissioner Nugent Smith, to bring these items to the full commission for approval. Motion carried without opposition.

Commissioner Trapani made motion, seconded by Commissioner Burns, to amend the education cite and fine schedule as presented with any changes to be approved by Mr. Unangst. A copy will be emailed to commissioners. Motion carried without opposition. (Attachment B)

3. Legal/Legislative/Timeshare – Commissioner Nugent Smith reported that the commission currently is involved with two bills in this legislative session. HB 468, which pertains to agency waivers, is currently moving through the House with no problems. SB 83, which pertains to Act 809 concerning felony applicants, is moving through the Senate with no problems. Mr. Morris commented that the bill regarding the prohibition of net listings is also in the legislature. This bill would prohibit net listings for residential transactions. Commercial net listings would still be allowed under this bill. There is also a bill pertaining to inventory tax that Louisiana REALTORS is monitoring on behalf of the public.
4. Standardized Forms – Commissioner Ducote stated that there were a few issues to be discussed under her report.

### Water Well Disclosures and Registration:

The first issue was a presentation from Matthew Reonas and Gary Snellgrove of the Louisiana Department of Natural Resources/ Office of Conservation (DNR) regarding well water disclosures and registration. (See Attachment C for copy of presentation) Mr. Reonas stated that he would like the commission to work with his office to create a form or system for water well registrations within property transfers and transactions. Commissioner Stafford recommended that DNR contact local Board of Health offices as they would have a multitude of information from water well inspections that are performed. Mr. Snellgrove told the commission that the key issue is the location of the wells. Many owners do not know details about their wells – how deep, age, etc. Commissioner Wolford asked if DNR has ever tried to approach the legislature on mandating registration. Mr. Snellgrove stated that they did meet with legislative staff previously and their recommendation was to pursue other alternatives at that time. Commissioner Trapani asked DNR to prepare a draft registration form and submit to Mr. Unangst so that the commission may review during their next forms update. Commissioner Reinauer asked who the responsible party would be for turning in the forms. Mr. Snellgrove stated the purpose of this presentation was to open up the lines of communication on issues and questions such as that. He is not suggesting that any punitive action or enforceable action be taken on anyone if the wells are not registered. DNR is simply trying to protect the water well assets of the state. Commissioner Hebert feels that it is important work but feels it may be inefficient if it is a voluntary act. If the biggest problem is location, would it be possible to keep track of property transfers. Commissioner Trapani asked if there was a fee to register the well. Mr. Reonas stated there was no fee to register. Chairman Gosslee asked Commissioner Ducote to review the draft form when it is submitted and possibly look at adding a question to the

property disclosure form. Commissioner Nugent Smith suggested that a disclosure could be added that is similar to the mold disclosures and sex offender disclosures. Mr. Baker suggested to DNR that they also contact the Home Inspectors Board to discuss this issue.

#### Commercial Forms:

Commissioner Ducote stated that the commission has received requests for commercial forms to be made available on the LREC website. Louisiana REALTORS has commercial forms that they have agreed to allow LREC to post as suggested forms. Mr. Morris suggested that LREC legal counsel review the forms prior to posting on the website and add disclosures or disclaimers. Mr. Unangst agreed that this would need to be done prior to posting. Commissioner Trapani is concerned about posting the forms on the website. The non-REALTOR commercial transactions may not be a good idea. He does not think the commission should post any commercial “suggested” or “recommended” forms. Commissioner Hebert is torn on the subject. He feels there is no uniformity and commercial contracts are mostly written per transaction. Commissioner Reinauer stated that he sees many different contracts. He questioned why the commission mandates residential forms and not commercial forms.

Commissioner Wolford made motion, seconded by Commissioner Stafford, to add “available” commercial forms with disclosures to the LREC website. After discussion, the decision was made to table the issue to another meeting. Commissioner Reinauer agreed to send the available forms that his office uses as well. Commissioner Wolford withdrew her motion.

#### August 2015 Forms Updates:

Commissioner Ducote stated that the issue of the August 2015 RESPA and TILA regulations need to be discussed. Mr. Unangst reached out to two attorneys, Bill Young and Marx Sterbcow. Mr. Unangst stated that Bill Young is a title attorney that is familiar with the changes. Marx Sterbcow is a recognized expert on TILA and RESPA issues. Mr. Young feels that the changes can be handled by an addendum while Mr. Sterbcow feels that entire sections of the contract need to be reworked. Commissioner Wolford stated that the contract was left very basic and general for the buyer and seller. She feels this basic agreement is still in place and that the commission should wait and feel out the changes after August. The commission needs to see what happens with the changes before reacting. She prefers the idea of an addendum but it not ready to make any amendments until seeing what happens with the changes. Commissioner Stafford stated that other states are also waiting to see what happens. Commissioner Nugent Smith stated that other states are aware of the situation but aren’t sure how to react yet. She doesn’t think anything should be mandated but feels that information needs to be made public for the licensees. She feels this is the responsibility of the commission. There is an 11 page guideline that should be posted to the website. Commissioner Nugent Smith would like to see a task force created to discuss this issue and to obtain input from all of those involved. She will chair this task force. Mr. Donaldson stated that he teaches a course on this topic. He thinks the upcoming changes are a big deal and is happy to see the commission create this task force. Commissioner Nugent Smith stated that brokers, attorney, and the mortgage industry need to be included in the task force. Mr. Morris feels this is an issue on the horizon. Education should be at the forefront of the discussion. Commissioner Nugent Smith stated that this discussion needs to take place before August.

5. Strategic Planning – Commissioner Wolford stated that a few tweaks were made to the strategic plan and a final copy has been provided to commissioners. Commissioner Wolford made motion, seconded by Commissioner Stafford, to accept the strategic plan. Motion carried without opposition. (See Attachment D)
6. Errors & Omissions – No report.
7. Technology – Commissioner Hebert stated that the Technology Committee will begin reviewing tasks now that the strategic plan has been finalized and approved.

#### DIRECTORS REPORT:

Mr. Unangst stated that he thinks the task forces that have been created are a great idea. This will provide input from all parties involved on each issue.

Mr. Unangst commended the commission, especially Commissioners Nugent Smith and Wolford, on their work on the strategic plan. He will work with the committees to ensure that everyone stays on task within the proposed time frames.

Mr. Unangst pointed out the cash balance section on the budget report. There is a new line item for Building Funds. The commission received \$150,000 as part of the settlement with the contractor and architect. These funds will be used for repairs on the building. Bids will be returned soon and the repairs will begin.

Mr. Unangst reminded commissioners that the Appraisers Board requested authorization that their name be added to the exterior signage in front of the building so that patrons are more aware of where their office is located. After discussion, Commissioner Nugent Smith made motion, seconded by Commissioner Stafford, to allow the Appraisers Board to pay for and add their name on signage in front of the building. Motion carried without opposition.

Mr. Unangst would like the issue of publishing violations in the Boundary Lines newsletter to be added to next month's meeting for discussion. Mr. Unangst recalls that at a previous commission meeting cite and fines were said not to be published in the Boundary Lines newsletter. He feels that it is a good idea to publish names of those taken to a formal or informal adjudicatory hearing. Commissioner Trapani feels that the cite and fines should be listed by name in the newsletter. Ms. Edwards stated that a decision was made in the past by the commission to not post informal censures and fines. Only suspensions and revocations were to be posted in the newsletter. She cautioned that adding all names to the Boundary Lines could result in more formal hearings as many people will take an informal hearing or citation because they do not want their names in the newsletter.

Commissioner Trapani made motion, seconded by Commissioner Stafford, to add discussion of publishing all names of violations in the Boundary Lines to next month's agenda. Motion carried without opposition.

**PUBLIC COMMENT:**

None

**UNFINISHED BUSINESS:**

None

**NEW BUSINESS:**

Request for use of LREC post license course material by Bob Brooks School: Commissioner Trapani made motion, seconded by Commissioner Burns, to allow Bob Brooks School to use the LREC post license course content. Motion carried without opposition. Mr. Unangst reminded everyone that the LREC post license content has not been updated since it was created and that it is up to each vendor that uses the material to update the content.

**EXECUTIVE SESSION**

Commissioner Reinauer made motion, seconded by Commissioner Donnes, to enter in to executive session. Motion carried without opposition.

Commissioner Wolford made motion, seconded by Commissioner Nugent Smith, to exit executive session and return to the regular business meeting. Motion carried without opposition.

There being no further business, Commissioner Reinauer made motion, seconded by Commissioner Wolford, to adjourn. Motion carried without opposition.

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JAMES GOSSLEE, CHAIRMAN

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EVELYN WOLFORD, SECRETARY