

MINUTES OF MEETING
OF
LOUISIANA REAL ESTATE COMMISSION

February 20, 2014

The Louisiana Real Estate Commission held its regular meeting on Thursday, February 20, 2014, 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:

COMMISSION

Paul Burns, Chairman
James Gosslee, Vice Chairman
Archie Carraway
Steven Hebert
Cynthia Stafford
Frank Trapani
Evelyn Wolford

STAFF

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

GUESTS

Chris Donaldson – Donaldson Real Estate School
Scott Johnson – Louisiana REALTORS
Brent Lancaster – Bob Brooks School of Real Estate

Commissioners Caffery and Nugent Smith were unable to attend the meeting.

Commissioner Carraway led the Invocation; Commissioner Hebert led the Pledge of Allegiance.

MINUTES

Commissioner Gosslee made motion, seconded by Commissioner Trapani, to approve the minutes of the meeting of January 23, 2014. Motion passed without opposition.

COMMITTEE REPORTS:

1. Budget – Commissioner Stafford reviewed the budget report. She stated that revenues are up due to the renewal season. Supply costs are up due to purchases of computer software. Personal service expenses are down .

(Attachment A)
2. Education/Research/Publication – Commissioner Hebert reported that due to a small technicality that the proposed 45-hour post-licensing education rules will need to be re-advertised for publication with the Louisiana Register. Mr. Unangst stated that in 2012, Act 549

was passed by the legislature and gave the requirements for electronic reporting on the notice of intent. The LREC has been following this requirement since that time frame. This electronic reporting now requires agencies to report to the Speaker of the House and the President of the Senate. Staff has resubmitted the rules and will be advertised in the Register on February 20, 2014. Implementation of the new 45-hour post-licensing course will be pushed to July 1, 2014 to allow ample time for implementation by all.

3. Legal/Legislative/Timeshare – Commissioner Gosslee stated that teams were discussed at the last meeting. He would like to schedule a meeting in April to continue the discussion.
4. Standardized Forms – Commissioner Wolford stated that the purchase agreement is up for review again this year. She has spoken with Malcolm Young and Norman Morris of Louisiana REALTORS and their committee feels that the contract is not currently working. The committee will be looking at the details on forms in the coming months.
5. Strategic Planning –Mr. Unangst reported that he expects Commissioner Nugent Smith to set a meeting in the coming months.
6. Errors & Omissions – Commissioner Wolford stated that she is self-educating herself on the topic of errors and omissions insurance. She is currently reviewing the past Invitation to Bid that went out in 2012. She wants to determine if there are any problems being had at the commercial level, etc with our current policy. She will be looking at first dollar coverage and other potential problems.

DIRECTORS REPORT:

Mr. Unangst reported that the Louisiana Real Estate Appraisers Board has requested that Mr. Unangst put together an outreach program regarding legislative updates, AMC's, etc. The current dates for these meetings are March 6th in Monroe and Alexandria and March 7th in Lafayette. There will be additional dates added later in the month for other locations. The programs will only be allowed as CE credit for appraisers. Real estate licensees are welcome to attend for informational purposes but will not receive credit for attending. Commissioner Trapani inquired as to what it would take to allow real estate licensees to receive credit for attending the course as he feels licensees would learn what is expected from appraisers and the appraisal process, etc. Due to room size limitations, staff could not allow real estate licensees to attend and receive credit. Mr. Unangst did refer Commissioner Trapani to a recent newsletter article written by Cheryl Bella which provides great information on the relationship between the licensee and the appraiser. Appraisers and licensees need to work together to get a quality appraisal. Mr. Unangst thanked the parties that were assisting with locations for the course. Commissioner Trapani suggested that NOMAR may be able to provide a facility for an upcoming New Orleans course. Commissioner Wolford, serving as NOMAR president, will get with Mr. Unangst on reserving a date in March.

Commissioner Gosslee asked Mr. Unangst about licensees being able to speak with appraisers and offering comparables to utilize. Mr. Unangst stated that appraisers can discuss this information with licensees. Commissioner Gosslee finds that oftentimes appraisers are coming from a completely different geographical market and that they do not understand certain markets. This hurts the consumer, the lender, the licensee, etc. By the licensee assisting the appraiser, this may be avoided. Mr. Unangst discussed the AMC rules that were passed in November 2013 that will give the Board authority to enforce geographic competency of appraisers. He informed the Commission that an organization called REVAA may be going back before the legislature to try and reverse the rules that were passed. He stated that he may need assistance from Commissioners if this arises in informing the legislature of the very problems that are experienced with geographic competency. The bigger banks that make up REVAA do not want to be regulated. Louisiana is the first state to take on customary and reasonable fees, geographic competency, etc.

Mr. Unangst stated that licensee count is at a higher rate of renewal than in years past. There has been an uptick in new licensees as well. He is hopeful that this will stay on track and continue to see new licensees. Although LREC has a higher license renewal, there will be a budget adjustment to reflect the lower amount collected in delinquent fees. This was discussed at last month's meeting.

Mr. Unangst reported that he met with staff and Tim Tullos, Pat Wattam, Jeffrey Welch, and Juli Jenkins to discuss team member requirements brought up at last month's meeting. Staff has been researching

how other states handle teams and are obtaining information. He will have additional information at the next Legal/Legislative committee meeting.

PUBLIC COMMENT:

None

UNFINISHED BUSINESS:

None

NEW BUSINESS:

Commissioner Trapani made motion, seconded by Commissioner Stafford, to approve the stipulation and consent orders as presented to the Commission. Motion carried without opposition.

(See Attachment B)

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

PAUL BURNS, CHAIRMAN

LYNDA NUGENT SMITH, SECRETARY