

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

**January 25, 2018**

The Louisiana Real Estate Commission held its regular meeting on Thursday, January 25, 2018, 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**

Steven Hebert, Chairman  
Richman Reinauer, Vice Chairman  
Deanna Norman, Secretary  
Lacy Baaheth  
Jeffrey Donnes  
Lynda Nugent Smith  
Jeff Free  
Patrick Roberts, Jr.

**STAFF**

Bruce Unangst, Executive Director  
Ryan Shaw  
Mark Gremillion  
Robert Maynor  
Chad Mayo  
Telly Hollis  
Debbie DeFrates  
Dusty Evans  
Jenny Yu  
Nikki Senegal  
Damien Smart

**GUESTS**

Mary Sliman – REALTOR® Association of Acadiana  
Amy Fennel – Louisiana REALTORS®

Commissioners Gauthier, Wolford, and Ritchie were unable to attend the meeting.

Commissioner Baaheth led the Invocation; Chairman Hebert led the Pledge of Allegiance.

## MINUTES

Commissioner Norman made motion, seconded by Commissioner Donnes, to approve the minutes of the meeting of December 14, 2017. Motion passed without opposition.

(Attachment A)

## COMMITTEE REPORTS:

1. Budget – Commissioner Reinauer reviewed the budget report with the Commissioners. He brought the Commissioners attention to the actual comparing 2017 to 2016. He stated that the numbers are up 95,000 due to renewals. He stated that the total number of licensees is short 90 of the all-time high from 2008. He stated that personnel services are high, as usual, due to staffing costs. He stated that the E&O revenue is down due to the decrease in the price of the LREC policy.

(Attachment B)

2. Education/Research/Publication – Commissioner Roberts stated that the Education Taskforce met and has come up with some recommendations. He stated that the taskforce chose to strike out some of the acceptable topics as well as adding some new ones. He stated that this review is ongoing and that the taskforce is working with education vendors.

Mr. Unangst stated that in the years he has been Executive Director, different Commissioners have had different opinions on what should qualify as appropriate CE topics. He stated that past Commissioners did not view marketing as an appropriate topic, but that with the changes in the real estate industry, some topics should be revisited. He stated that the taskforce and the Commission need to consider including topics that fit the evolving industry.

Mr. Gremillion asked that the Commissioners give specific guidance on what type of courses will be accepted so that staff has more guidance. He stated, for example, that there are plenty of courses out there on time management, but not all are directly geared toward real estate. Commissioner Roberts stated that the courses should be geared toward real estate. He also agreed with Mr. Unangst that the Commission needs to consider broader topics that are of value to licensees and consumers.

Commissioner Donnes, made motion, seconded by Commissioner Reinauer, to accept the recommended changes to the Continuing Education Guidelines. Motion passed without opposition.

(Attachment C)

Mr. Unangst brought the Commissioners' attention to the flow chart of recommendations made by the taskforce. He reviewed the mandatory section with the Commissioners and stated that it is never too soon to begin thinking about the 2019 mandatory course topic. He asked that the Commissioners begin to think about possible topics. He also stated that of the 3,400+ brokers, only 335 brokers did not complete the Broker Mandatory Course. He also stated that there were many brokers who did not renew and he believes that many of the 335 who did not take the

course chose not to because they did not plan to renew. Mr. Unangst also stated that the renewal application requires renewing licensees to attest that they completed all education. He stated that some individuals did not feel comfortable signing the document because they did not complete their education, which resulted in them not renewing. He stated that the administrative solution to this issue would be to give approval to any broker who wants to renew without signing the document can be given a letter allowing them to renew if they pay the CE audit fine.

Chairman Hebert stated that he believes it best to allow the staff to handle this issue administratively unless any other Commissioners have an objection. Commissioner Nugent Smith asked for clarification on what the brokers would have to do as a penalty for failing to take the course. Mr. Unangst stated that the penalty decided by the Commission last year was a \$325 fine and completion of the 30-hour Broker Responsibility course, which can be taken online.

Mr. Gremillion stated that the renewal period runs through March 31, which means that anyone can still renew until then but cannot practice real estate until they renew. He stated that some brokers may want to take the course in March before they renew, but that no vendors may want to teach the live course. He asked if there would be an alternative to the live course that would be counted for the requirement. He stated that the licensees renewing at that time would have to pay a delinquent fee for renewing late, but would not have to pay the education fine. He stated that only those who renewed prior to December 31, 2017 without completing their education are subject to the \$325 fine. Chairman Hebert stated that he believes that the Commission does not want to go back on their stance that the course had to be taken live. Commissioner Nugent Smith asked what courses are available that could be used to sub in for the 2017 Broker Mandatory. Mr. Gremillion stated that there is a 4-hour course from 2011 and the 30-hour Broker Responsibility course. Commissioner Nugent Smith stated that she believes that the 30-hour course is the best solution.

Commissioner Reinauer made motion, seconded by Commissioner Norman, to require any brokers who did not complete the 2017 Broker Mandatory live course be required to take the 30-hour Broker Responsibility course. Motion passed without opposition.

Commissioner Donnes asked Commissioners to consider if it would be a good idea to require older licensees to only be required to take the mandatory topic to satisfy their education requirement. Chairman Hebert stated that he believed it would be a good topic for the Education Committee to discuss.

3. Legal/Legislative/Timeshare – Commissioner Nugent Smith stated that there was an Escrow Taskforce meeting on January 15. She stated that there was a good group of attendees, including Commissioners, title company representatives, LREC staff, and Louisiana REALTORS. She brought the Commissioners' attention to the escrow taskforce progress chart. She stated that the recommendation to remove the word "immediate" was discussed. She also stated that edits to the purchase agreement were discussed to clarify who would be responsible for deposits. She stated that the verbiage in the purchase agreement would serve as a warning of the potential outcomes of not having a broker hold the deposit. She also stated that there would be an addendum that would need to be signed stating that the warning was read and understood. Mr. Maynor stated that the Commission cannot require an addendum, but can provide a recommended addendum.

Mr. Maynor stated that we cannot legally mandate that a broker hold the deposit, but that this solution should help ensure that 90% of deposits are held by brokers.

Commissioner Donnes asked why we cannot mandate the addendum. Mr. Maynor stated that the law, as it currently reads, states that the LREC can mandate the purchase agreement and the property disclosure. Any other mandated forms would require a law change.

Commissioner Nugent Smith stated that there was also a Best Practices Taskforce meeting. She stated that the taskforce discussed four tasks: informal hearings, potential referral of all adjudications to an outside source, review procedures for determinations on felony applicants, and identify any changes that can be made on the communications between staff and the Commissioners to ensure that all applicants' rights are protected.

She stated that legal counsel will advise the taskforce on how to handle informal hearing notifications going forward. She stated that the potential referral of adjudications to an outside source proved too costly to pursue. She stated that the taskforce will request that legal counsel create a handbook for how to handle felony applicants and that there be an annual training on how to conduct felony applicant appearances. She stated that there was discussion on staff providing trends of violations to the Commissioners.

Commissioner Nugent Smith also stated that outside of the four assigned topics the taskforce also discussed technology issues, i.e. e-signatures, timing of submitting contracts, hacking, etc. and property management issues.

(Attachments D & E)

4. Standardized Forms – Commissioner Roberts stated that he spoke with Lynda Butler recently about reaching out to stakeholders regarding changes to the purchase agreement for this year's review. He stated that the property disclosure has been well received by licensees.

Ms. Shaw stated that she has received a couple of phone calls from a compliance officer requesting clarification on the implementation of the Property Disclosure on March 1, 2018. She stated that the confusion was regarding disclosures filled out prior to March 1 on properties sold after March 1. The question is whether or not sales completed after March 1 would require an updated property disclosure.

Chairman Hebert stated that as long as the property was listed prior to March 1, there is no need to fill out the new form, but that it would be a personal risk to the agent and, therefore, their decision.

Commissioner Norman asked how the changes to flood insurance and receipt of FEMA/other funds will be addressed on the forms going forward. Chairman Hebert stated that he thinks that the best starting point is to get an official legal stance from legal counsel before making any changes to forms. Mr. Unangst stated that FEMA has an informational statement on their website that could be helpful in educating licensees.

5. Strategic Planning – Commissioner Baaheth thanked staff for helping schedule meetings and keep things on track. She stated that the Technology Taskforce will be meeting today following the regular business meeting.

Commissioner Norman stated that the Communications Taskforce has not met again because they are awaiting some quotes from PR companies and the completion of the website. Ms. Shaw stated that she has contacted three companies and is waiting on bids for their work. She stated that once the bids are in, the taskforce will meet to select a company to move forward with to grow social media presence. (Attachment F)

6. Errors & Omissions – Commissioner Norman stated that the agreement on how to handle lapses in coverage has been decided and finalized.
7. Technology – Commissioner Donnes stated that the Technology Taskforce would meet following the regular business meeting.

**DIRECTORS REPORT:**

Mr. Unangst stated that the new phone system can now track with more accuracy the call volume, answering rates, etc. He brought the Commissioners’ attention to the numbers of renewals, stating that 90% of all renewals were completed online, which is an easier process for staff.

He also stated that three student workers have been hired to help with office functions. He stated that these student workers have been very helpful and valuable to staff.

Mr. Unangst stated that he and Commissioner Nugent Smith have been working to help plan the summer ARELLO meeting in New Orleans. He stated that Commissioner attendance is not mandatory, but that he would like for everyone to try to make it to these meetings. Commissioner Nugent Smith stated that the Commission, in conjunction with Louisiana REALTORS, is working on hosting an evening event on Friday.

**PUBLIC COMMENT:**

None

**UNFINISHED BUSINESS:**

None

**NEW BUSINESS:**

Commissioner Reinauer made motion, seconded by Commissioner Donnes, to approve the stipulation and consent orders for second-time CE offenders. Motion passed with no opposition.

Commissioner Reinauer made motion, seconded by Commissioner Nugent Smith, to approve the stipulation and consent order for informal hearings. Motion passed with no opposition.

(Attachments G)

**EXECUTIVE SESSION**

None

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

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STEVEN HEBERT, CHAIRMAN

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DEANNA NORMAN, SECRETARY