

MINUTES OF MEETING
OF
LOUISIANA REAL ESTATE COMMISSION

November 21, 2013

The Louisiana Real Estate Commission held its regular meeting on Thursday, November 21, 2013, 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

Patrick T. Caffery, Jr., Chairman
Paul Burns, Vice Chairman
James Gosslee, Secretary
Archie Carraway
Tim Flavin
Steven Hebert
Lynda Nugent Smith
Cynthia Stafford
Frank Trapani
Evelyn Wolford

STAFF

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

GUESTS

Burk Baker – Burk Baker School of Real Estate and Appraisal
Amy Fennel – Latter and Blum
Scott Johnson – Louisiana REALTORS
Brent Lancaster – Bob Brooks School of Real Estate
Norman Morris – Louisiana REALTORS
Tim Tullos – Keller Williams
Malcolm Young – Louisiana REALTORS

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

MINUTES

Commissioner Trapani made motion, seconded by Commissioner Flavin, to approve the minutes of the meeting of October 17, 2013. Motion passed without opposition.

COMMITTEE REPORTS:

1. Budget – Commissioner Stafford reviewed the budget report with Ms. Yu. See Attached budget report.

(Attachment A)

2. Education/Research/Publication – Commissioner Trapani stated that the Commission is moving along with the mandatory topic Train the Trainer courses. He will discuss the 45-hour post license course under New Business.
3. Legal/Legislative/Timeshare – No report.
4. Standardized Forms – Commissioner Carraway stated that he received a request for the property disclosure form to be available on a letter size page format instead of only legal size. Commissioner Hebert reminded the Commission that there won't be any revisions to the forms until after the first of the year. Commissioner Carraway stated that there is a problem when faxing legal size forms. After discussion, no changes were made to the disclosure form.
5. Strategic Planning – Commissioner Nugent Smith stated that she received two proposals from consultants, one being more reasonable cost-wise than the other. They will be scheduling a meeting in the upcoming months.
6. Errors & Omissions – Commissioner Gosslee requested that the Commission approve a one year extension for the E&O contract with Rice Insurance Services. Commissioner Flavin made motion, seconded by Commissioner Trapani, to approve the extended period of one year to the Rice Insurance Services contract. Motion carried without opposition.

DIRECTORS REPORT:

Mr. Unangst informed the Commission that the Train the Trainer seminars are complete. Overall, the reviews were great and suggestions were received on how to improve further.

Mr. Unangst stated that he received an email that morning from GBRAR requesting the addition of the addition of the sellers address on forms. GBRAR also requested that a rule change be made so that all team member names do not have to be included in advertising as it can be costly when team members often change. This will be placed on the agenda for the December meeting for discussion.

The upgrade to the phone systems has been made and should increase capacity to handle excess call volume. Callers should not receive a busy signal if all lines are full but rather receive a voicemail to leave a message. Managers will have tracking for accountability purposes.

Mr. Unangst informed the Commission that staff will be sending out renewal reminders via regular mail to all licenses that have not renewed in the first weeks of December. The mailed letter will include the user id and passwords as well as reminders on deadlines and continuing education.

Mr. Unangst stated that staff will be doing a thorough cleanup of the 45-hour post licensing course to clean up typos, etc. before the final release to vendors.

PUBLIC COMMENT:

None

UNFINISHED BUSINESS:

Proposed Amendment – Chapter 55.5527.B (See Attachment B)

Commissioner Caffery asked what the language means in regards to “one approved vendor”. Mr. Unangst explained that the licensee must take the full course from one vendor and may not split up the course between multiple vendors. The vendor that the student completes the course with will report to the Commission. Discussion took place on whether or not a student should be allowed to take the course from multiple vendors. After hearing from staff and vendors in the audience, it was determined that the licensee must take the course and complete from one vendor. Commissioner Flavin made motion, seconded by Commissioner Trapani, to approve the amendment as proposed in Chapter 55.5527.B. Motion carried without opposition.

EXECUTIVE SESSION

Commissioner Flavin made motion, seconded by Commissioner Trapani, to enter into executive session. Motion carried without opposition.

Commissioner Flavin made motion, seconded by Commissioner Trapani, to enter back into the regular business meeting. Motion carried without opposition.

NEW BUSINESS:

Commissioner Burns made motion, seconded by Commissioner Trapani, to remove the election of 2014 Commission officers from the agenda. Motion carried without opposition.

Commissioner Stafford made motion, seconded by Commissioner Burns, to approve the 2014 LREC meeting calendar schedule. Motion carried without opposition.

Scott Johnson, Louisiana REALTORS, presented the Commission with a request to allow an alternative to the 2014 mandatory course for commercial agents. He stated they would like to replace the hazardous materials and finance sections with alternate material suitable for commercial agents. Commissioner Trapani made motion, seconded by Commissioner Flavin, to allow a commercial alternative to the 2014 mandatory course based on course approval from the Commission Education Department. Motion carried without opposition.

Commissioner Flavin made motion, seconded by Commissioner Nugent Smith, to approve the stipulation and consent orders as presented to the Commission. Motion carried without opposition.
(See Attachment C)

Commissioner Stafford made motion, seconded by Commissioner Trapani, to add an ARELLO update from Commissioner Stafford to the agenda. Motion carried unanimously. Commissioner Stafford stated that she attended ARELLO and NAR meetings and a hot topic was the upcoming changes to flood insurance rates. She stated that many properties will not be grandfathered in under the new changes. If the law is not renewed, many people will not be able to afford their flood insurance policies. The changes may be delayed by five years but that is not a definite assumption. She is concerned that lawsuits may end up being filed against real estate agents as well. Commissioner Stafford also discussed information she received regarding files kept by the broker. In California, everything must be kept – emails, tweets, social media posts, etc. Mississippi does not require all of that information to be kept but they have received complaints recently on social media postings such as tweets. These complaints came from the homeowners. The website Zillow was also discussed. Agents buy their own webpage and has the best listings show up under their name, even though that listing may not be theirs. The info is not updated by the agent and homeowners are being harassed even when their homes aren't available for sale. She also reported that short sales and auctions are becoming more popular and are growing according to statistics.

Commissioner Trapani stated that the Commission should take a position on the issue of the national flood zone changes. He stated that the Commission is here to protect the public and should come out in support of the homeowners that built their homes according to the law at the time. Mr. Unangst stated that he spoke with Senator David Vitter and he says they are picking up support as constituents around the state/nation are contacting legislators. 80% of the population lives near the coastlines. The key point is that people throughout the country built to the elevation requirement and played by the rules. A delay is good but it doesn't help in the long term. The Commission does not have jurisdiction over this issue but can provide a resolution in support of the homeowners. Commissioner Nugent Smith noted that people in New Orleans spent \$100,000 or more on raising their homes to code and will now be in violation. She discussed a 4 year extension in line with the Biggert Waters Act. Commissioner Nugent Smith made motion, seconded by Commissioner Trapani, to have legal counsel prepare a resolution in support of the issue. Motion carried without opposition.

Commissioner Trapani made motion, seconded by Commissioner Burns, to add the discussion of testing relative to the post license course to the agenda. Motion carried unanimously. Norman Morris asked the Commission how the testing procedure will roll out. Commissioner Trapani stated that numerous people have said that accountability is needed for testing credibility of the course. Testing through a third party such as PSI has been discussed in the past. Discussion has also taken place on hosting the test on the LREC website. By hosting the test on the LREC website, this will keep the licensee from having to spend another \$45 for a testing requirement at a third party location. This will keep the cost from being passed on to the licensee. After discussion, Commissioner Trapani made motion, seconded by Commissioner Nugent Smith, to authorize the executive director to develop a test with the assistance of a selected committee so that the test is uniform and host it online on LREC website to determine if course is effective or not for year 2014. Motion carried without opposition.

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

PATRICK T. CAFFERY, JR., CHAIRMAN

JAMES D. GOSSLEE, SECRETARY