

MINUTES OF MEETING
OF
LOUISIANA REAL ESTATE COMMISSION

October 15, 2015

The Louisiana Real Estate Commission held its regular meeting on Thursday, October 15, 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
Evelyn Wolford, Secretary
Paul Burns
Jeffrey Donnes
Kelly Ducote
Richman Reinauer
Cynthia Stafford
Frank Trapani

STAFF

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

GUESTS

Burk Baker – Burk Baker School of Real Estate & Appraisal
Chris Donaldson – Donaldson Educational Services
Brent Lancaster – Bob Brooks School of Real Estate
Brei Delahoussaye – Louisiana REALTORS
Mark Norsworthy
Dr. Roy Ponthier – ProEducate

Commissioner Gosslee led the Invocation; Commissioner Ducote led the Pledge of Allegiance.

MINUTES

Commissioner Trapani made motion, seconded by Commissioner Reinauer, to approve the minutes of the meeting of August 20, 2015. Motion passed without opposition.

COMMITTEE REPORTS:

1. Budget – Commissioner Stafford reviewed the budget report and asked Mr. Unangst to discuss the legislative audit report and the Division of Administration requirements for the unfunded actuarial liability (UAL). Mr. Unangst reported that the loan on the building has been paid in full and that all repairs to the building are complete. He explained that the Division of Administration (DOA) has calculated a number for the UAL which is difficult to explain and to understand. The UAL refers to an amount that the Commission must budget for regarding employee retirements. The numbers represents factors of whether an employee lives to a certain age, works until a certain age, if all employees were to retire at the same time, etc. This is not a reality for our employees but it is something that the DOA requires. On the budget sheet, the \$2.9 million dollar number also includes the Appraiser Board employee’s salaries which equals to around \$700,000. The DOA combines both the Commission and the Board therefore the revenues are inflated and expenses are paid back to the Commission. Mr. Unangst will work on how to accurately report the numbers so that the commissioners are aware of more exact numbers. As of now, Mr. Unangst is unsure on how to report this. Commissioner Stafford thinks there should be two different sheets – actual and audit report style. She stated that commissioners should always look at actual cash balances. Mr. Unangst stated that he always wants to ensure transparency. Commissioner Stafford noted that the Commission is doing very well. Costs are under control and the licensee count is steadily increasing.

2. Education/Research/Publication – Commissioner Trapani stated that the Education committee met prior to the regular business meeting. The following motions were made in committee:

- Motion to approve the standard CE certificate for January 1st, 2016 implementation
- Motion to approve the one time waiver request per calendar year for immediate implementation
- Motion to approve the revised Instructor Approval Procedure for January 1st, 2016 implementation
- Motion to approve the online CE course application submittal program for January 1st, 2016 implementation
- Motion to approve all three alternate mandatory courses: 4 Hour TRID course; 4 hour Agency course; 4 hour combination TRID and Agency course. The committee delegated the authority to the Chairman and Vice-Chairman of the Education Committee to approve the course outlines.

Commissioner Wolford made motion, seconded by Commissioner Stafford, to ratify all motions made in committee. Motion carried without opposition.

Commissioner Trapani made motion, seconded by Commissioner Wolford, to approve the Louisiana REALTORS alternate mandatory course for commercial use based on approval from the Education department. Motion carried without opposition.

3. Legal/Legislative/Timeshare – No report.

4. Standardized Forms – Commissioner Ducote stated that the Commission received a copy of the TRID addendum prepared by Adams and Reese attorney Patty McMurray. Commissioner Wolford feels that the addendum is a bit useless as it talks about delaying the sale before it gets off the ground. She feels it is a hasty document and that the Commission should not advocate its promotion. There is a lot of misconception on how long the sale can be delayed. She feels that a form that gives authorization for the agent to talk to the lender is a must but would be reticent to attach it to the purchase agreement because it is not the seller’s business. It could be put on the website with disclosure that it isn’t part of the purchase agreement. Commissioner Trapani stated that the TRID addendum is on Louisiana REALTORS’ website and many licensees are attaching the form to the purchase agreement. Trapani is concerned that licensees will include it as part of the mandatory form. He feels this needs to be addressed. Commissioner Wolford doesn’t think that it should be pointed out to licensees. Commissioner Stafford agreed that the form should not be promoted by the Commission. Commissioner Wolford recommended that the Commission not put any addendums on the website until the changes are further along. Commissioner Burns is concerned that there is a lot of confusion and that clarification should be provided. Ms. Edwards stated that the Commissioners need to decide if the language should be promoted. If not, it should be left off the website entirely. Commissioner Burns suggested that the title attorneys discuss this and work together.

5. Strategic Planning – No report.
6. Errors & Omissions – Commissioner Reinauer stated that Mr. Unangst inquired on 3rd quarter 2014 and 2015 reports to determine if claim rates have declined in hopes of possibly negotiating a rate reduction. There was not enough of a decline to warrant a reduction.
7. Technology – Commissioner Donnes stated that a long term goal of the committee was to arrange an offsite backup of all server information. Mr. Endicott explained the offsite backup system noting that if a major catastrophe at the building occurred, the website could be back up and running within hours. All of the emails, files, website data, etc. would be available. The cost is around \$7,500 per year and covers everything needed.

DIRECTORS REPORT:

Mr. Unangst stated that as a result of paying off the building loan, it frees up around \$100,000 per year. He is also looking for other savings interests and recently opened up new CDs with one of our banks, Gulf Coast Bank, at 1.6%. This earns around \$16,000 per year.

PUBLIC COMMENT:

None

UNFINISHED BUSINESS:

None

NEW BUSINESS:

None

EXECUTIVE SESSION

None

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

JAMES GOSSLEE, CHAIRMAN

EVELYN WOLFORD, SECRETARY