

MINUTES OF MEETING
OF
LOUISIANA REAL ESTATE COMMISSION

May 21, 2015

The Louisiana Real Estate Commission held its regular meeting on Thursday, May 21, 2015, 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

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

STAFF

Bruce Unangst, Executive Director
Arlene Edwards, Legal Counsel
Summer Mire
Debbie Defrates
Jeremy Endicott
Mark Gremillion
Telly Hollis
Katie Lei
Robert Maynor
Chad Mayo
Kayla Robinson
Ryan Shaw
Marsha Stafford
Sara Wheeler
Malissa Wright
Jenny Yu

GUESTS

Tim Flavin – Former Commissioner, Flavin Real Estate
Herb Gomez – Greater Baton Rouge Board of Realtors
Brent Lancaster – Bob Brooks School of Real Estate
Norman Morris – Louisiana REALTORS

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

MINUTES

Commissioner Nugent Smith made motion, seconded by Commissioner Wolford, to approve the minutes of the meeting of April 23, 2015. Motion passed without opposition.

PERSONAL APPEARANCES – (See Court Reporter Transcripts for Complete Discussions)

1. Stephen Edwards – appeared in connection with his request to re-obtain a real estate license. Commissioner Hebert made motion, seconded by Commissioner Nugent Smith, to allow Mr. Edwards the opportunity to re-obtain his real estate license. Motion carried 8-1 with Commissioner Reinauer voting in opposition.
2. Desmond Jackson- appeared in connection with his request to obtain a real estate license. Commissioner Donnes made motion, seconded by Commissioner Stafford, to allow Mr. Jackson the opportunity to obtain his real estate license. Motion carried 7-2 with Commissioners Ducote and Wolford voting in opposition.
3. Trisha Sampy – appeared in connection with her request to obtain a real estate license. Commissioner Wolford made motion, seconded by Commissioner Reinauer, to allow Ms. Sampy the opportunity to obtain her real estate license. Motion carried without opposition.
4. Marvin Smith – appeared in connection with his request to obtain a real estate license. Commissioner Donnes made motion, seconded by Commissioner Stafford, to allow Mr. Smith the opportunity to obtain his real estate license. Motion carried 8-1 with Commissioner Trapani voting in opposition.
5. Melanie Ward – appeared in connection with her request to obtain a real estate license. Commissioner Stafford made motion, seconded by Commissioner Reinauer, to allow Ms. Ward the opportunity to obtain her real estate license. Motion carried 8-1 with Commissioner Ducote voting in opposition.
6. William Wilkinson – appeared in connection with his request to obtain a real estate license. Commissioner Burns made motion, seconded by Commissioner Wolford, to allow Mr. Wilkinso n the opportunity to obtain his real estate license. Motion carried without opposition.

Discussion was had regarding the current background check company, Sterling. It has been noted that many licensees have self reported their convictions as many are not showing up on the background checks. This could be an issue if someone does not self report on their application. Commissioners requested that administration look into companies such as Prometric and PSI Testing to see if their facilities are equipped with fingerprinting devices so that background checks could be performed at their locations.

COMMITTEE REPORTS:

1. Budget – Commissioner Stafford reviewed the budget report. She stated that the budget is still in good shape and is in the black. The budget shows an increase in revenues by \$119,000. Operating costs are still up slightly due to annual increases in employee insurance and retirement costs. Professional services are also up due to an increase in technology expenses. She reminded that E&O is a pass through. In an ongoing effort to introduce staff members to Commissioners, Mr. Unangst introduced the accounting division – Jenny Yu, Katie Lei, and Kayla Robinson – to Commissioners. He provided the commissioners with a list of duties that the accounting division provides. He commended the accounting department for their hard work and their continued clean audit reports.

Commissioner Donnes noted that the number of brokers has decreased over the last seven to eight years. Commissioner Stafford agreed that this seems to be a trend over many states. Commissioner Reinauer stated that many brokerage offices are making it more attractive to stay a salesperson.

(Attachment A)

2. Education/Research/Publication – Commissioner Trapani stated that the Education committee previously authorized Commissioner Reinauer to run a task force regarding licensing. Commissioner Reinauer stated that the task force has been a good task force and that they are looking at the proposed Broker 203 outline. Conference calls have taken place to hash out what should be kept or amended. The task force will be amending portions of the outline and will be

taking a look at possibly combining hours. This may need to be something that is brought to the legislature. Commissioner Trapani applauded the efforts of the task force. He also noted that the mandatory course has been wonderful and he has seen great benefit on the part of new licensees.

3. Legal/Legislative/Timeshare – Commissioner Nugent updated the Commission on the status of the two legislative bills currently going through session. Both have had great success and there have been no objections thus far. She was asked at the last meeting to look at the Consumer Financial Protection Bureau upcoming rules. She stated that she has been to ARELLO and NAR sessions on CFPB. Other than Florida, everyone is taking a “wait and see” attitude on what approach to take in regards to the rules. There are over 2000+ pages to the rules and more are being added. She feels it is a better decision to wait and see what the changes will be. Education is the most important issue and should be the route to take. She has no recommendations at this time but would like to add a link to the website to the CFPB as a first step in the education process. Commissioner Trapani thanked Louisiana REALTORS for offering a class on this topic. He stated that he does not agree with the “wait and see” approach. He questioned how these rules will affect the purchase agreement. He asked if Louisiana REALTORS would be making any recommendations. Mr. Morris stated that they will be giving webinars before August 1st. It is being pushed that any enforcement action not be taken until July 1, 2016. All licensee need to be brought up to speed but there is no information to give right now. Commissioner Nugent Smith thanked Mr. Morris and Mr. Jim Harris for their efforts.
4. Standardized Forms – Commissioner Ducote reported that she received the commercial forms from Commissioner Reinauer. Mr. Unangst is working on adding disclosures. Commissioner Ducote stated that she had a follow up conversation with Matthew Reonas, Department of Natural Resources, regarding water wells and he will be sending information to be reviewed.
5. Strategic Planning – No report as the strategic plan is complete.
6. Errors & Omissions – No report.
7. Technology – Commissioner Hebert stated that he had a meeting last week with Commissioner Donnes, Mr. Unangst and Jeremy Endicott, LREC Information Technology Liaison. He stated that the commission is in very good hands with Mr. Endicott. He gave a fantastic, in-depth look at projections and direction for upgrading equipment, etc. No action needs to be taken by the commission today. He provided a handout for future projections. Commissioner Donnes stated that is important to stay abreast of changes to external technology of the industry. Commissioner Hebert agrees that external technology needs to be looked at. He gave an example of the Lafayette MLS which offers a new “share” button for listings. Licensees are sharing listings that are not theirs which may cause advertising violations. This is an example of things that need to be monitored.

DIRECTORS REPORT:

Mr. Unangst reported that Commissioner Bums sent him a report from NAR on technology and the dangers that should be monitored. The report is also on the NAR website.

Mr. Unangst echoed Commissioner Nugent Smith’s thanks to Mr. Morris and Mr. Harris for their assistance in seeing the supported bills through the legislature.

Mr. Unangst stated that the repairs to the building will begin next week. Quadrants of the building will be worked on at a time. This shouldn’t affect the daily operations of the agency.

Mr. Unangst stated that he did upgrade the website disclaimer on the “Sample Forms” section of the website. He will make sure that the CFPB link is added to the website.

Mr. Unangst noted that Commissioner Stafford has scheduled her Education Task Force meeting after the regular business meeting today.

PUBLIC COMMENT:

None

UNFINISHED BUSINESS:

None

NEW BUSINESS:

Commissioner Wolford stated that while attending the recent ARELLO conference, she learned about the Commissioner College course offered. She stated that these courses are hard to travel to sometimes so she asked ARELLO about distance learning opportunities for this course as it would greatly benefit new commissioners. Due to budget concerns, etc., this has not been something that ARELLO has been able to accomplish. She has received a lot of emails from commissioners in other states and they may try to put something together regionally. They must have 25 commissioners attend to make it worthwhile for expenses, etc. Commissioner Nugent Smith agrees that this would be extremely beneficial for commissioners. Chairman Gosslee thinks it is an excellent idea and Commissioner Stafford suggested that Commissioner Wolford speak to Karen at ARELLO. Commissioner Nugent Smith suggested speaking with Janet Thomton. Commissioner Wolford stated that ARELLO needs to be open minded with their budget. No one has looked at the budget to see if the funds are allotted. Commissioner Stafford stated that with her involvement in ARELLO, she did not think the funds were available. Chairman Gosslee would like to see this offered as an online course. Mr. Unangst stated that he had access to an orientation CD that was made by ARELLO.

EXECUTIVE SESSION

None

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

JAMES GOSSLEE, CHAIRMAN

EVELYN WOLFORD, SECRETARY