

MINUTES OF MEETING
OF
LOUISIANA REAL ESTATE COMMISSION

May 19, 2016

The Louisiana Real Estate Commission held its regular meeting on Thursday, May 19, 2016, 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

Lynda Nugent Smith, Chairman
Evelyn Wolford, Vice Chairman
Steven Hebert, Secretary
Lacy Baaheth
Jeff Donnes
Kelly Ducote
Eloise Gauthier
James Gosslee
Deanna Norman
Richman Reinauer
Patrick Roberts, Jr.

STAFF

Bruce Unangst, Executive Director
Arlene Edwards, Legal Counsel
Summer Mire
Debbie Defrates
Mark Gremillion
Robert Maynor
Chad Mayo
Stacy Sharpe
Jenny Yu
Henk VanDuyvendijk

GUESTS

Burk and Lisa Baker – Burk Baker School of Real Estate & Appraisal
Brei Delahousayye – Louisiana REALTORS
Chris Donaldson – Donaldson Educational Services
Brent Lancaster – Bob Brooks School
Norman Morris – Louisiana REALTORS

Cynthia Stafford – Former Commissioner
Frank Trapani – Former Commissioner
Dr. M. Allam Baaheth
Merrion Baaheth
Alicia Baaheth
Friends and Family of Lacy Baaheth
Margie Maybe

Chairman Nugent Smith led the Invocation; Commissioner Hebert led the Pledge of Allegiance.

SWEARING IN OF NEW COMMISSIONERS

Chairman Nugent Smith swore in new commissioners – Licia “Lacy” Baaheth-Sylvain, Eloise Gauthier and Patrick “Rick” Roberts, Jr. Each new commissioner introduced themselves.

PRESENTATION OF PLAQUES TO NEW COMMISSIONERS

Chairman Nugent Smith presented plaques to former commissioners Paul Burns, Cynthia Stafford and Frank Trapani for their years of service to the Commission.

MINUTES

Commissioner Ducote made motion, seconded by Commissioner Gauthier, to approve the minutes of the meeting of April 21, 2016. Motion passed without opposition.

COMMITTEE REPORTS:

1. Budget – Commissioner Reinauer reviewed the budget report with Commissioners. There is a slight increase in personnel and professional services. Everything else has decreased. The excess revenue over expenditures is up \$28,000 from 2015.
(Attachment A)
2. Education/Research/Publication – Commissioner Ducote reported that the committee met prior to the regular business meeting. The committee discussed the 2017 mandatory course outline and asked that commissioners submit their input on the draft back to her or Commissioner Gauthier by June 10th.

The committee also discussed the possibility of combining pre-licensing with post licensing. There will be continued discussion on this topic.

The committee recommended that the Commission accept the 2017 Train the Trainer proposal from LSU as presented at the meeting. Commissioner Ducote made motion, seconded by Commissioner Gauthier, to approve the recommendation. Motion carried without opposition.

Commissioner Wolford discussed the use of page timers in online classes. She is understanding that page timers were approved in March 2014 for the online post-licensing course. She made a

motion to discontinue the use of page timers. Mr. Unangst stated that it was clarified to vendors that page timers were not mandatory. Vendors must ensure that courses are not clicked through in a matter of minutes. Vendors can use whatever method they choose to ensure that. Mr. Unangst noted that there may be consequences to having no timing mechanism at all. Commissioner Wolford stated that she has discussed this with new licensees who say that page timers are the biggest hindrance. Mr. Lancaster stated that the student must know the material to pass the test. He feels page timers decrease learning and increase stress. He noted that the current post licensing course outline does speak to page timers. He feels that they are not good for the student. Mr. Unangst stated that he met with all the vendors multiple times to discuss this issue. Mr. Lancaster stated that ARELLO has standards that must be followed. There is a requirement for a certain amount of content. Commissioner Wolford made motion, seconded by Commissioner Reinauer, to remove the requirements of a page timer from the Post License Course Standards. More discussion was had. Mr. Donaldson thinks there is confusion on what is needed to get their course approved. He feels the standards need to be updated. Mr. Unangst stated that his meeting with the vendors was to clear their confusion. Mr. Donaldson stated that each vendor must adhere to a strict ARELLO policy. Commissioner Wolford stated that you should not be able to skip through the course but page timers should be removed. Mr. Gremillion asked the commission to tell the staff exactly what they need to do. Commissioner Norman stated that the only way to ensure that the time is spent in the course is either live instruction or page timers. Commissioner Ducote asked if the law or rule should be changed since the student can breeze through the course in five hours or so. Commissioner Wolford stated that there is a punitive aspect to making faster learners sit through page timers. Mr. Lancaster stated that ARELLO will not issue a recertification to the vendor if they cannot prove that attendees spend 45 hours in the course. If the providers can meet ARELLO guidelines, should that be sufficient for the commission? Commissioner Hebert asked if the Commission previously made a directive to the staff to not allow skip through on the course. Mr. Baker agrees that page timers are a pain. ARELLO is knowledge based, not time based. Mr. Unangst stated that page timers and hours should not be what is focused on. Content should be the main focus. Mr. Donaldson stated that ARELLO is very tough. Does the commission need to go above and beyond? ARELLO certifies delivery and the commission certifies content. Commissioner Wolford stated that she would like to add that there be no requirement to keep them on the text for a certain amount of time. Commissioner Wolford amended her motion to state that they requirement of page timers be removed from the post license course standards and to remove the requirement to keep the student on the text for a certain period of time. Commissioner Reinauer seconded the amended motion and it carried with no opposition.

3. Legal/Legislative/Timeshare – Commissioner Wolford stated that she spoke with Mr. Maynor and developed language which was handed out to the commission for review. Commissioner Hebert asked if there was really a dramatic change needed. He asked if there was a large number of problems with advertising in the public. Any changes will be a large change to licensee’s advertisements. Ms. Edwards stated that the past language was too hard to enforce as it is too subjective. Chairman Nugent Smith noted that the proposed language does not address the issue of “ghosting” by using a lighter font on the same color background. Mr. Maynor stated that the proposed language is just a starting point and should have discussion and input from commissioners. Commissioner Reinauer suggested that the commission come back before the next meeting with agreed upon language. He believes that this issues is something the commission should concentrate on. Mr. Morris stated that he would be happy to bring the issue back to Louisiana REALTORS for their input. Commissioner Roberts made

motion, seconded by Commissioner Hebert, to table this issue until next month's meeting for further discussion and tweaking for clarity. Motion carried without opposition.

4. Standardized Forms – Commissioner Wolford stated the committee is trying to move forward with finalization of the mandatory forms. In 2005, a form was mandated regarding water and sewage disclosures. This form is not being used currently. Commissioner Wolford made motion, seconded by Commissioner Gosslee, to unmandate the 2005 Residential Sewerage Treatment form. Motion carried without opposition.

Ms. Margie Maybe made comment on an issue that she feels is a problem on the forms. The cash buyer doesn't pick a title company. She suggested that a simple line that the title company or closing company be handled within a certain number of days be added to the Buy/Sell Agreement. Commissioner Wolford stated that she would consider putting a date in possible the "prorations/other costs" section. Commissioner Norman feels this is another great issue for education and a topic that could be added to the mandatory course. No changes to this section were made. Commissioner Gauthier discussed Lines 72-82 regarding the buyer default. Commissioner Roberts noted that the number of days was discussed in the work group and feels that this too is an education issue.

It was noted to remove the bold print and quotes from "Private Water/Sewerage Addendum" on page 2 of the residential property disclosure. Ms. Shaw asked the commission if they would like both forms in the letter size and legal size. It was agreed and she will have the forms available as both. Commissioner Wolford made motion that the forms be accepted. Commissioner Roberts seconded the motion and it carried with no opposition.

5. Strategic Planning – No report.
6. Errors & Omissions – Commissioner Norman stated that she and Mr. Unangst have requested data from Rice and it should be available by next month, hopefully.
7. Technology – Commissioner Donnes reported that Mr. Endicott is in the process of ordering new machines and software for the continual upgrade of the office. Mr. Unangst stated that due to the budget, these items are being ordered now instead of the next fiscal year.

DIRECTORS REPORT:

Mr. Unangst stated that he will begin his annual road shows to the local Boards in the fall. He will send out an email to each Board Administrator to set up with those that are interested.

PUBLIC COMMENT:

None

UNFINISHED BUSINESS:

None

NEW BUSINESS:

Mr. Anangst discussed liability for the members of the commission. Ms. Edwards discussed R.S. 9:2792 with the commission. It reads as follows:

LSA-R.S. 9:2792.4

§ 2792.4. Limitation of liability of members of boards, commissions, or authorities of political subdivisions

A. As used in this Section, a “member of a board, commission or authority of a political subdivision” means a person serving as an elected or appointed director, trustee, or member of a board, commission, or authority of a municipality, ward, parish, or special district, board, or commission of the state, including without limitation, a levee district, school board, parish law enforcement district, downtown development district, tourist commission, port commission, publicly owned railroad board or commission, or any other local board, commission, or authority.

B. A person who serves as a member of a board, commission, or authority of a political subdivision as defined in Subsection A, shall not be individually liable for any act or omission resulting in damage or injury, arising out of the exercise of his judgment in the formation and implementation of policy while acting as a member of a board, commission, or authority of that political subdivision, provided he was acting in good faith and within the scope of his official functions and duties, unless the damage or injury was caused by his willful or wanton misconduct.

Ms. Edwards stated that commission members will not have direct liability if there is no direct intention. Mr. Anangst stated that the commission has legislative oversight in their decision making which is a must. Anti-trust laws cannot be violated.

Commissioner Gosslee stated that he would like to consider ways to reduce the number of felony applicants that come before the commission by either having staff or Ms. Edwards review the cases prior to the commission hearing them. Commissioner Nugent Smith suggested a subcommittee of rotating commissioners to attend the felony applicant hearings. This idea needs to be further discussed at later meetings. Ms. Edwards reminded the commission that the felony applicants have to be heard by the commission with a quorum. This cannot be done in committee. Ms. Edwards stated that she will look into the issue further.

EXECUTIVE SESSION

None

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

LYNDA NUGENT SMITH, CHAIRMAN

STEVEN HEBERT, SECRETARY