

MINUTES OF MEETING
OF
LOUISIANA REAL ESTATE COMMISSION

October 16, 2014

The Louisiana Real Estate Commission held its regular meeting on Thursday, October 16, 2014, 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

Paul Burns, Chairman
Lynda Nugent Smith, Secretary
Archie Carraway
Jeffrey Donnes
Kelly Ducote
Steven Hebert – arrived at 9:01 a.m.
Richman Reinauer
Cynthia Stafford
Frank Trapani
Evelyn Wolford

STAFF

Bruce Unangst, Executive Director
Arlene Edwards, Legal Counsel
Summer Mire
Debbie Defrates
Dusty Evans
Mark Gremillion
Chad Mayo
Ryan Shaw
Marsha Stafford
Sara Wheeler
Jenny Yu

GUESTS

Kim Calloway – Louisiana Legislature /House Commerce Committee
Chris Donaldson – Donaldson Real Estate School
Amy Fennel – Latter & Blum
Rashida Keith – Louisiana Legislature/House Commerce Committee
Brent Lancaster – Bob Brooks School of Real Estate
Norman Morris – Louisiana REALTORS
Roy Ponthier – ProEducate
Rick Roberts – Louisiana REALTORS

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

MINUTES

Commissioner Nugent Smith made motion, seconded by Commissioner Donnes, to approve the minutes of the meeting of September 25, 2014. Motion passed without opposition.

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

1. Thereasa Gransbury – appeared in connection with her request to re-obtain her real estate license. This was Ms. Gransbury’s third appearance. Commissioner Trapani made motion, seconded by Commissioner Nugent Smith, to deny Ms. Gransbury’s request. Motion carried with Commissioners Carraway and Stafford voting in opposition.
2. Crystal Craven – appeared in connection with her request to obtain a real estate license. Commissioner Stafford made motion, seconded by Commissioner Donnes, to allow Ms. Craven the opportunity to obtain her real estate license. Motion carried without opposition.
3. Terrill Germany - appeared in connection with her request to obtain a real estate license. Commissioner Hebert made motion, seconded by Commissioner Stafford, to allow Ms. Germany the opportunity to obtain her real estate license. Motion carried without opposition.
4. Bobby Jameson – appeared in connection with his request to obtain a real estate license. Commissioner Carraway made motion, seconded by Commissioner Stafford, to allow Mr. Jameson the opportunity to obtain his real estate license. Motion failed to carry with Commissioners Ducote, Hebert, Nugent Smith, Trapani, Wolford, Donnes and Reinauer voting in opposition.
5. Jonathan Jones – appeared in connection with his request to obtain a real estate license. Commissioner Donnes made motion, seconded by Commissioner Hebert, to allow Mr. Jones the opportunity to obtain his real estate license. Motion carried with Commissioners Nugent Smith and Wolford voting in opposition.
6. Erik Kleibert - appeared in connection with his request to obtain a real estate license. Commissioner Trapani made motion, seconded by Commissioner Wolford, to allow Mr. Kleibert the opportunity to obtain his real estate license. Motion carried without opposition.
7. Brandin Learson – appeared in connection with his request to obtain a real estate license. Commissioner Trapani made motion, seconded by Commissioner Wolford, to allow Mr. Learson the opportunity to obtain his real estate license. Motion carried without opposition.
8. Cornelius Stafford – appeared in connection with his request to obtain a real estate license. Commissioner Wolford made motion, seconded by Commissioner Trapani, to deny Mr. Stafford’s request to obtain his real estate license. Motion carried without opposition.
9. Benjamin Torres - appeared in connection with his request to obtain a real estate license. Commissioner Trapani made motion, seconded by Commissioner Wolford, to deny Mr. Torres’ request to obtain his real estate license. Motion carried without opposition.

COMMITTEE REPORTS:

1. Budget – Commissioner Stafford reviewed the budget report. She stated that the commission received an A+, unqualified audit report from the state auditor. The reports were given to Commissioners at the September meeting. Operating revenue has increased while operating costs have decreased. The overall license counts continue to rise.
(Attachment A)
2. Education/Research/Publication – Commissioner Hebert stated that PSI testing facilities have requested a one year extension on their contract with LREC. Commissioner Stafford made motion, seconded by Commissioner Trapani, to approve the contract renewal of PSI for the year 2015. Motion carried without opposition.
(Attachment B)
3. Legal/Legislative/Timeshare – Mr. Unangst gave the report in the absence of Commissioner Gosslee. Mr. Unangst stated that staff is still researching the issue of team compensation for licensed assistants. Staff is in the process of gathering information in other states. A committee meeting will be planned in the upcoming months.
4. Standardized Forms – Commissioner Wolford stated that the committee met the day before and discussed proposed changes to the contract. Commissioner Wolford made motion, seconded by Commissioner Nugent Smith, to accept the changes as presented at the Standardized Forms meeting. Commissioner Trapani amended the motion to have staff prepare the full contract

with the accepted revisions and have the commission review the contract and vote in November. Commissioner Hebert seconded the amended motion. Discussion on the motions took place. Mr. Morris stated that the effective date of the contract would need to be extended to February 1, 2015. Commissioner Trapani stated that he did not have a problem with the date being extended. Commissioner Trapani stated that he wants to see the final form as it is before voting. Commissioner Wolford noted that all changes were approved yesterday. Commissioner Hebert feels that this would be a reasonable delay to see the final product. Mr. Unangst stated that the changes to the documents could be made and ready to view in the next week. Commissioner Trapani stated that he is concerned about the finance section and purchasers ability to obtain financing. Commissioner Wolford stated that the committee has been working on this language since June and they have determined that the current financing language is not working. It is not explained clearly enough for buyers and sellers. There is no loan approval date. Post occupancy dates, etc. can be negotiated. Every situation that could possibly occur cannot be allowed for in the contract. Commissioner Trapani feels that it is an education issue and not a form issue. The contract is between the buyer and the seller and should be fairly weighted on both sides. After a roll call vote, amended motion carried with a 5-4 vote. Commissioners Ducote, Hebert, Stafford, Trapani and Donnes voted in favor of the motion and Commissioners Carraway, Nugent Smith, Reinauer and Wolford voted in opposition.

5. Strategic Planning – Commissioner Nugent Smith stated that the committee will meet after the regular business meeting to continue discussion on the strategic plan.
6. Errors & Omissions – Mr. Unangst stated that at last month’s meeting, Commissioner Hebert had questions regarding additional mold coverage per licensee. Commissioner Hebert stated that he was very aware of the mold exclusion and that in 2013 some coverage was added at \$10,000 per licensee. In today’s time, this is the best that the policies will offer. If other claims besides mold are made then those limits will be included. Mr. Unangst stated that the current contract with RISC is a good, firm contract. Commissioner Wolford made motion, seconded by Commissioner Stafford, to approve the renewal of the RISC errors and omissions group policy contract. Motion carried without opposition.

DIRECTORS REPORT:

Mr. Unangst reported that the deduction on the building debt was approved and the last meeting and the building will hopefully be paid off next year. He stated that the building repair problems have been assessed by the architect and contractor and that the architects have accepted responsibility and are looking at repair schedules and bids. Some repair may have to be held off until after renewal season.

Renewals will begin the week of October 27th. Hard copy mailings will all be mailed out this year with new information on a MyLREC section of the website as well as user name and passwords. Licensees will be able to access individual licensee information from this new area of the website. The long term goal is to have a mobile app to this effect. He thanked Mr. Endicott for his hard work.

Mr. Unangst reported that there are new ARELLO online standards going into effect after the first of the year. This many prove as challenges to some online vendors but will be a huge improvement in quality and content of courses. There may be some discussion in the future on combining post licensing into prelicensing course. Commissioner Wolford stated that she does not agree with course timers. Mr. Unangst stated this has been discussed in regards to the LREC post licensing course. ARELLO does not want to allow people to just blow through a course. There is more to it than just timers. Only things in standards prevent people from blowing through a course. There must be learning objectives tied back to the questions. Dr. Ponthier stated that ARELLO has three standards for text based courses. He doesn’t think the problem is reading speed but testing of the material. Typical average reading speed is 250 words per minute online. Renewed courses are only good until April 2015. He stated that it will be quite a job to get these courses into compliance. But, it will be better for education. Commissioner Stafford stated that she sits on the Education Committee for ARELLO and this topic was heavily debated for 3-4 years. Mr. Lancaster stated that he agrees and disagrees with Dr. Ponthier. The new standards do require changes but some schools have already been making these changes. He does agree with Commissioner Wolford that there is no purpose for page timers as they just create undue stress on the student. He does agree with the changes that ARELLO is making and feels they are headed in the right direction. Dr. Ponthier stated that he envisions what they mean for page timers and course programming can be designed such that it gives more interactive learning than reading on a timer. Commissioner Wolford stated that her intent is not to knock down the ARELLO standards. She does not want to teach to the bottom of the class.

Mr. Unangst stated that staff will move forward with a video on the finalized changes to the forms. Past videos were well received and had positive feedback.

Mr. Unangst discussed the Broker 202/203 courses and how they are very outdated. He stated it is time to move forward with revamping of these courses. He stated that this item will be on the agenda for discussion at the November meeting. Commissioner Stafford noted that other states require education annually for brokers.

Commissioner Trapani inquired as to how the post licensing course approval process was going. Mr. Unangst stated that there will be course availability starting on November 1st. Licensees licensed prior to November 1st can continue to take the old course for up to six months. There have been no more extensions or deferments allowed for the new course.

PUBLIC COMMENT:

None

UNFINISHED BUSINESS:

None

NEW BUSINESS:

Commissioner Trapani requested that the issue of concursus proceedings be discussed at the next Legal/Legislative committee meeting.

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

PAUL BURNS, CHAIRMAN

LYNDA NUGENT SMITH, SECRETARY