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June 2011

# Boundary Lines

A Louisiana Real Estate Commission Monthly Newsletter

STATE OF LOUISIANA  
REAL ESTATE COMMISSION

The LREC Remembers  
R.C. McCormick

Dodd-Frank on AMCs:  
A Prescription for  
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Dear New Licensees:  
A Letter from LREC



# R.C. McCormick

**T**he phone directory in my office hasn't been updated yet. Extension 229 is still marked "R.C." in a black, sans-serif font at the bottom of the list taped next to the receiver. I never met R.C. McCormick, but references to him like this are scattered around the Louisiana Real Estate Commission office: a detailed procedures chart with various boxes from the *Shapes* function in Microsoft Word, a red binder with a taped Post-It note reading "Training Manual," a full coffee pot after 3p.m. Even his name remains on the door of the office with the long window that faces the highway. To write about a man like R.C. McCormick, whom I never got the chance to meet, can be daunting. As I sit down at my desk, peering over the interview notes, the obituary, the special letter a close friend sent out after his death, I can only think about how many mistakes he could probably find in this article when I'm finished. Sure, I have breezed past a few tough English teachers in college and even impressed a handful of journalism professors, but the way his coworkers, Marsha Stafford and Ivy Stringer, spoke of his eye for detail, R.C. could probably find my weak points in writing. "He was very thorough," Marsha remarked. She explained that as the hearing examiner for the LREC, he reviewed the reports of the investigators—Marsha and Ivy included—and he would almost always send the case reports back with more questions or suggestions about who should be interviewed before moving forward. Ivy laughed when she spoke of his impeccable eye for detail, and said, "You think you'd write this perfect report, and he'd found a lot of things wrong. You'd think, 'this is perfect.' He was a stickler for details. He would just smoke them out."

A few others in the office mentioned a coffee cup, but Ivy knew the routine behind it. She settled into a chair in my office after a brief hesitation at the door. "He had this coffee cup," she began with a smile. "It was this old brown cup, the kind with a lid. When he'd get here in the morning, he'd come down the hall to the coffee pot. Marsha would say, 'Good morning.' He would say, 'How good is it?' Or someone would ask, 'How are you, R.C.?' and he'd say, 'Home sick, in bed.'" Then some mornings, she remembered him coming through the hall calling, "Reveille!" Throughout the day, he would top the cup off, warm it up in the microwave, but he never emptied it to add fresh coffee. "And we never saw him ever wash it," Ivy remarked with a laugh. She said he wouldn't go anywhere without his cup. At his funeral, she asked his wife where his cup had gone, to which she replied that it now rests on top of their refrigerator.

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**"He had this coffee cup," she began with a smile.**

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“He was really a mentor for me,” Marsha remarked as she played with the collar on her white linen shirt. “And he helped me a lot and gave me a lot of advice.” Marsha began to talk about R.C.’s military career, and I wasn’t quite sure where she was going with the information. But she wanted me to know he was a recruiter for the Marine Corps, and he won recruiter of the year his first year recruiting. He was a drill instructor at Paris Island, and he also acted as a hearing officer at some point, which is how he got the job as hearing examiner for the LREC. He was also a Vietnam veteran and had been awarded the Purple Heart. “Marines,” she said, “were a big part of his life.” But when Marsha’s 22-year-old son, Hunter, decided to join the Marines, she was horrified.

That’s when she ran to R.C.

She described him as being “fatherly” toward her, walking her through two deployments, and acting as a stoic figure of support. “He’ll be all right,” Marsha remembers R.C. often saying, and then she added he often thought she babied Hunter. Now, Marsha is confident in her son, who has since reenlisted and become a Recon Marine. “Hunter can do no wrong,” Marsha joked. She dropped her head and fumbled with the white linen shirt again for a moment, letting the air settle to stillness, and then she said, “At R.C.’s funeral, he had full military honors.” She described the lone bugler’s side profile as she played Taps next to a large oak tree, “and the wind was blowing,” she added. “It was beautiful.”



Commission Chairman, Frank Trapani (left), poses for a photo with R.C.’s family during the June 2011 meeting, in which a resolution was passed in R.C.’s honor. From Left to Right: Wife, Lucy Jane McCormick; son, Michael McCormick; daughter, Kathy Kedroske; granddaughter, Aimee Kedroske; daughter-in-law, Evelyn McCormick.

Marsha recalled the day R.C. broke his hip in the LREC parking lot in 2006. He calmly asked another employee if she minded doing him a favor and calling an ambulance because he thought he may have broken his hip. Marsha followed the ambulance to the hospital, and when they pulled R.C. out on the stretcher, he looked at her and said, “Marsha, on my desk...” When she went into his office while he was in the hospital, she found letters ready to be sent out over a week before they needed to be sent. And when she spoke with the physical therapist, he remarked that R.C. had given “2000 percent,” and he had never seen anyone that motivated. Even during his battle with cancer, R.C. was still “trying to make it back part-time,” Marsha said.



R.C. McCormick's family poses for a photograph with his LREC coworkers on June 16, 2011.

R.C. played golf with Ivy's husband. The first thing she said about R.C. on the golf course was that he played by the rules. No close enough and no mulligan. Either you made it in the hole, or you didn't. This seemed to be a glimpse of how R.C. operated professionally as well. Marsha observed that R.C. believed in one way of doing things, the right way. He didn't accept excuses from anyone. He believed in doing everything by the rules, but at the same time he was a gracious man Ivy said. He was a fellow of the Lion's Club, and she recalls he would collect old reading glasses for those in need. He also helped her husband obtain a volunteer job as a Marshal for the Oaks at Sherwood Golf Course.

**“Please, God, let me have a husband like that when I'm 86 years old, a husband that dotes on me.”**

Yet one aspect of his personality both women recalled to be one of his greatest was his devotion to his wife, Janie. Marsha said that every afternoon, R.C. would call his wife as he headed out the door to go home, and he would talk to her in a playful way. Marsha said she would hear him talking to Janie and think, “Please, God, let me have a husband like that when I'm 86 years old, a husband that dotes on me.” Ivy said R.C. always visited the Co-Op in Denham Springs to buy Janie “pounds and pounds” of birdfeed for her feeders. She said he was always concerned with “taking care of Janie.”

“R.C. was a remarkable man,” Ivy mused, gazing toward his office at the end of our interview. She paused a minute, and I couldn't tell whether she was looking for something Marsha might have forgotten or simply reminiscing. And then she said, “I really miss him... already.”



Above Left: R.C.'s wife, "Janie" McCormick, wipes away tears during the reading of a resolution passed in R.C.'s honor. Above Top Right: Coworker Al Rowe remembers R.C. Above Bottom Right: LREC Executive Director, Bruce Unangst, addresses the family. Below: The LREC commissioners pose with the McCormick family.





# Chairman's Corner

In our most recent meeting, the Louisiana Real Estate Commission recognized R.C. McCormick for his years of service as Hearing Examiner. He was a wonderful man who helped reshape this agency and outline a lot of our practices and rules. We are grateful for his service, and sorry for his family's loss. His contributions to the real estate regulatory system will resonate for years to come.

Also, the commission is excited to announce a new education course to be offered in 2012 on Social Media and Advertising. This course will detail the standards the commission has set forth for real estate brokers, agents, teams, etc. The course will be an education requirement for all licensees as of January 1, 2012. Former Commissioner Jennifer Lanasa-Evans has worked diligently and closely with the LREC staff to construct a guideline for this course. These guidelines will discuss the new rules we feel are necessary to ensure fair competition and, ultimately, protect the public we serve. An outline of these rules will be made available later in the year. Please email your own thoughts and comments about what you think should be in this upcoming course to [info@lrec.state.la.us](mailto:info@lrec.state.la.us).

Sincerely,

Frank A. Trapani

## Security & Social Security



By law, the Louisiana Real Estate Commission must require all initial applicants to provide their social security number on the application. Protecting applicants' identity is a top priority at the LREC, and we will work to ensure all private information remains inaccessible by any third party, unless acting in accordance with [R.S. 37:23.B](#). Section B requires that the LREC must provide a licensee's social security number if requested by an "agency charged with implementing a program of family support in accordance with R.S. 46:236.1.1 et seq. which shall maintain the confidentiality of social security numbers" ([legis.state.la.us](http://legis.state.la.us)).

Licensees who have not previously provided their social security number in the past will be required to do so upon renewal of their licenses. Please refer to the [Louisiana Legislature Website](#) for more information on this ruling.

# *A Letter to Initial Licensees*

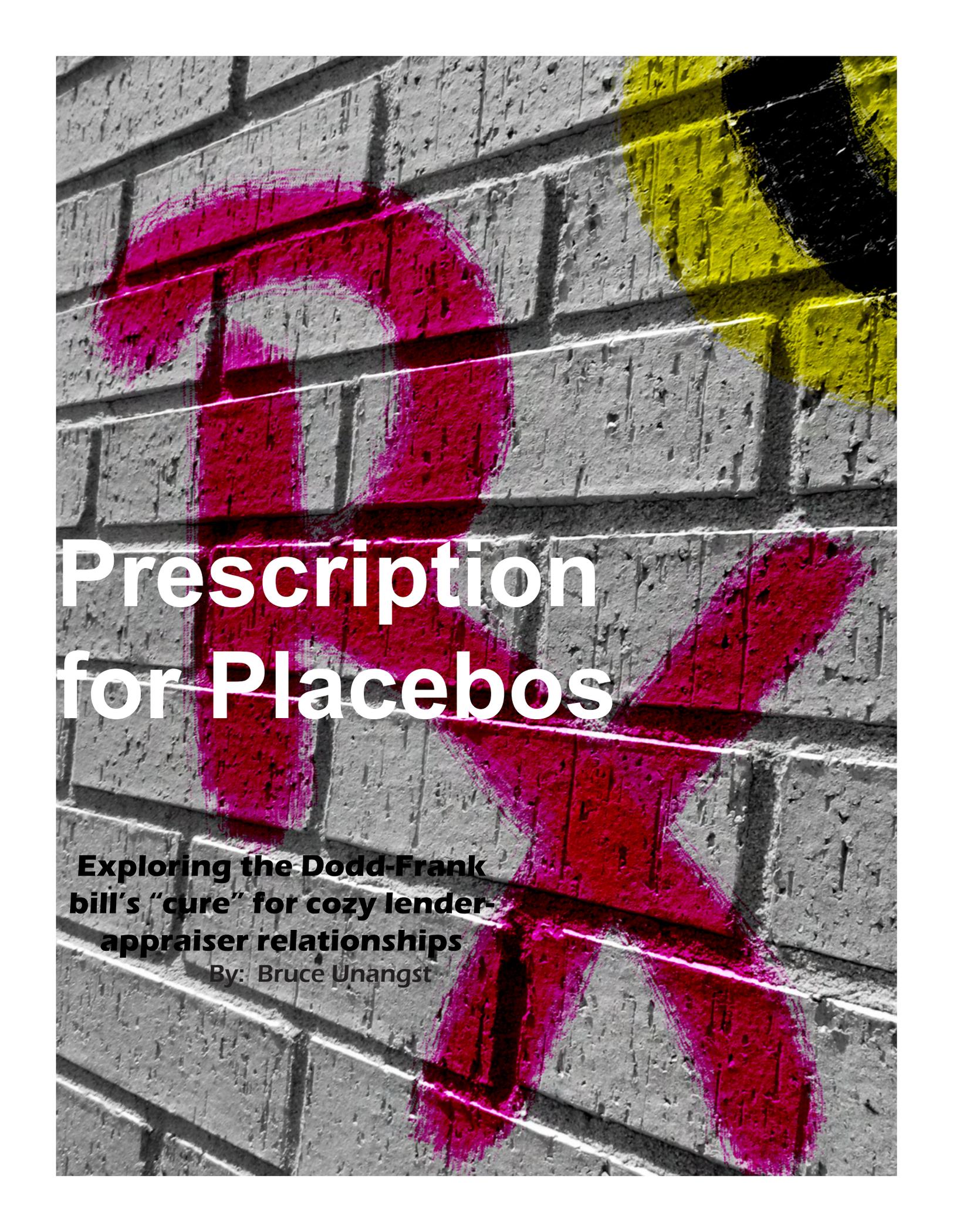
**C**ongratulations on your Louisiana real estate license! But before you venture out into the world of real estate, there are a few things the LREC would like you to keep in mind:

1. **Real Estate Licensees Never Stop Learning:** Be sure to stay up to date on all education requirements.
2. **Once a Licensee Does NOT Mean Always a Licensee:** You must renew each calendar year and have met the education requirements.
3. **Real Estate Licenses Can Be Put on Hold:** You may place your license into an inactive status, but there are rules in place. And you still have to renew!
4. **Communication is Still Key:** You are issued an email address when you become licensed with the LREC. All communications from the LREC are sent to that account, unless prohibited by law. This includes the electronic distribution of your license, which will be sent to your sponsoring broker.

A detailed letter will be sent to your LREC email account explaining the aforementioned information. If you have any questions, feel free to contact the LREC at (225) 925-1923, or visit us at [www.lrec.state.la.us](http://www.lrec.state.la.us).

**Once again, congratulations, and the LREC wishes you the best in your real estate endeavors!**





# Prescription for Placebos

**Exploring the Dodd-Frank  
bill's "cure" for cozy lender-  
appraiser relationships**

By: Bruce Unangst

Our federal government's response to the 2008 financial meltdown of Wall Street and the documented abuses of Fannie Mae and Freddie Mac, was to enact the "Wall Street Reform and Recovery Act," commonly referred to as the Dodd-Frank bill.

Criticism at the time the Dodd-Frank legislation was being debated centered on the belief that the legislation did little to correct the core problems of Fannie and Freddie, as well as the misdeeds of financial manipulators on Wall Street. Further, concern was raised that the bill added unwarranted regulation and bureaucracy that would stifle prudent banking and real estate activity, crucial to a healthy economic recovery. Early critics of the Dodd-Frank bill are now screaming "I told you so!"

Perhaps there is no more glaring example of the additional bureaucracy and unintended consequences of this sweeping "reform" legislation than the Dodd-Frank requirement that most lenders who utilize independent outside appraisers must now engage Appraisal Management Companies—AMCs for short—to manage the selection and work product of appraisers in any federally related transaction, including FHA, VA, USDA, Fannie, Freddie and the other myriad of federal bureaucracies related to lending activity. The bill further places an unfunded federal mandate on each state to take responsibility for regulating AMC activity.

The perceived problem, defined by authors of the bill, was that a cozy relationship existed between lenders and independent real estate appraisers, which may have resulted in lenders influencing an appraiser's judgment of value on which lending decisions were made. Opponents of the bill argued that independent appraisers were and continue to be strictly regulated at both the federal and state level that precludes the very problem perceived by Senator Dodd and Representative Frank.

The "cure," as mandated by Dodd-Frank, envisioned Appraisal Management Companies serving as a buffer between lenders and appraisers, thereby eliminating the potential of any cozy relationship that might influence otherwise independent value judgments by appraisers. While the objective seems laudable, critics of the bill, as well as independent appraisers from around the country, contend the "cure" is already causing debilitating side effects worse than the perceived "disease."

These "side effects," if you will, are currently legal because state's are still scrambling to not only put laws into place, but to fund the regulation of these middlemen.

## SIDE EFFECTS:

Mounting evidence suggests that the largely unregulated AMC field has attracted unsavory competitors into this new land of opportunity. In fact, some former sub-prime lenders disciplined for bad business practices, have morphed themselves into AMC's and are now up and running with essentially identical management.\*\*

Despite laws preventing coercion of appraisers to provide appraisals outside their area of geographic competence, complaints are on the rise that certain AMC's are doing just that.

Another section of the law requires AMC's to compensate independent appraiser's "customary and reasonable fees" for work performed. It is evident that what is customary and reasonable to an AMC may differ greatly than what could normally be expected by an appraiser for a quality product in a given market area.

Aggressive marketing by some AMC's now boast of 24-hour turnarounds at the lowest cost in an attempt to boost their lender market share. Although the law and professional standards are clear that an appraiser must be allowed sufficient time to complete a quality and thorough product, a growing number of appraisers claim they are, or will be, blacklisted if they cannot meet the time and price demands of AMC's.

While there are many reputable Appraisal Management Companies providing a valuable service to their lender clients and the Appraisal Industry, the jury remains out on the long term implications of Dodd-Frank on banking, real estate, and consumer protection here in Louisiana.

Check back next month to learn of new developments initiated by the Louisiana Real Estate Appraiser Board to protect the public interest.

\*\*A recent Bloomberg Businessweek article highlights this issue: [Housing Appraisals: Still Blowing Bubbles?](#)

# OH STEPHANIE BOUDREAUX

She wouldn't let us take her picture. So, if anyone is ever curious about the face behind the name, he or she can find Stephanie Boudreaux at the public commission meetings held once a month in the LREC Hearing Room. She'll be the one making jokes.

After 34 years of service as the Public Information Director and editor of this publication, Stephanie has retired. The commissioners and staff have expressed their gratitude for her years of service, but being that this publication was handled by her for so long, we deem it only appropriate to say thanks within these pages as well.

She has worked diligently in ensuring the new rules and law changes have been publicized so the real estate market and public alike can be aware of such changes. She has been so busy the past few years, in fact, she cleaned her office for the first time since moving into the new LREC building just this past week, after her retirement. Stephanie is not leaving us completely. She is returning part-time to ensure everything continues to be worded properly and communicated accordingly.

So, from the Louisiana Real Estate Commission, we say thank you, Stephanie Boudreaux, for your past and continued service.

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