

MINUTES OF MEETING
OF
LOUISIANA REAL ESTATE COMMISSION

APRIL 21, 2011

The Louisiana Real Estate Commission held its regular meeting on Thursday, April 21, at 11:00 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

Frank Trapani, Chairman
Tim Flavin, Vice Chairman
Patrick T. Caffery, Jr., Secretary
Mike D. Bono
Archie Carraway
Jennifer LaNasa Evans
James Gosslee
Judy Songy
Cynthia Stafford

STAFF

Bruce Unangst, Executive Director
Arlene C. Edwards, Legal Counsel
Stephanie Boudreaux
Anjalena Gillem
Mark Gremillion
Robert Maynor
Summer Mire
Al Rowe
Nikki Senegal
Ivy Stringer
Sara Wheeler
Jenny Yu

GUESTS

Jean Carraway, Century 21 Shackelford French
Brent Lancaster, Bob Brooks School

Commission members Paul Burns and Gretchen Ezernack were not present for the meeting.

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

Commissioner LaNasa Evans made motion, seconded by Commissioner Songy, to approve the Minutes of Meeting of March 17, 2011, as written and circulated. Motion passed without opposition.

PERSONAL APPEARANCES:

1. Lonnie Absher – Mr. Absher appeared before the Louisiana Real Estate Commission in connection with his request to sit for the real estate sales exam.

On July 22, 1987, Mr. Absher pled nolo contendere to simple burglary. For this offense, Mr. Absher was sentenced to five (5) years hard labor, which sentence was suspended, and he was placed on active probation for five (5) years.

Mr. Absher stated that in 1986 he accompanied an acquaintance to a girlfriend's home to retrieve items from their apartment. Unbeknownst to Mr. Absher, the acquaintance took belongings from the home that was not his. He was charged with simple burglary and was released from probation two years early. After answering Commissioner's questions, Commissioner Flavin made motion, seconded by Commissioner Songy, to allow Mr. Absher to sit for the real estate sales exam. Motion passed without opposition.

2. Luria Young – Ms. Young was not able to appear due to a death in the family.

COMMITTEE REPORTS:

1. Budget – Commissioner Stafford discussed the budget report prepared by Al Rowe. Mr. Rowe presented the report as printed and entertained any questions. Mr. Rowe stated that he projected the budget through the end of the fiscal year and we should be finishing \$250,000 under budget in the expenditures. We will be finishing over the budget in the revenue due to the small numbers from the continuing education audit. Mr. Rowe projects that we will be finishing in the black for the fiscal year. Commissioner Stafford reviewed the current licensee count handout. (Attachments A & B)
2. Education/Research/Publication – Commissioner Caffery stated the education committee is moving forward with its three tier renovation plan. The first part of the plan called for the updating of continuing education courses that are currently being offered. Commissioner Trapani has appointed a special committee of Commissioners, vendors, and a member of Louisiana Realtors. The deadline for vendors to submit the courses they would like to keep approved is May 13th, 2011. The first special committee meeting will be scheduled after the next regular business meeting on May 19th, 2011.
3. Legislative/Legal/Timeshare – Commissioner Flavin entertained a motion to approve an amendment to the rules which discusses amendments to the agreement to buy/sell. The new language will state "As provided in LSA-R.S. 1449.1, there shall be no alterations to the purchase agreement form. Any language amending the form shall be inserted in the 'terms and conditions' section of the form or placed in an addendum to the form as prescribed by the Louisiana Real Estate Commission". Commissioner Flavin made motion to approve, seconded by Commissioner Songy. Motion passed without opposition. Commissioner Flavin reported that discussion on fee structures has been tabled until December. Advertising guidelines and team advertising will be discussed possibly in a joint meeting next month. Discussion of BPO's took place and it was determined that the language currently in place is adequate. Commissioner LaNasa Evans stated that BPO's would be a good subject for the newsletter and it should stress the fact that BPO's must be paid through the sponsoring broker as BPO's are a real estate activity.
4. Standardized Forms – No report.
5. Strategic Planning – Report was discussed in the Education Committee report.
6. Advertising/Technology – Commissioner LaNasa Evans suggested a small committee meet to review the advertising guidelines page by page and to review new information from the ARELLO meeting. A meeting will be held with staff and the committee members – Commissioners LaNasa Evans, Trapani, Burns, Gosslee, and Stafford.
7. Errors & Omissions – Commissioner Songy stated that a meeting will be held with Commissioner Bono and Mr. Unangst to discuss. Commissioner Bono stated he thought he may have another company other than RISC that may want to make a bid proposal but they both have the same underwriters. Mr. Unangst stated that he spoke with Cindy Grissom from RISC and received information on other states coverage. The Commission will have two options, to either renew the current contract with RISC by two years under the current provisions, or to receive new bid proposals. Commissioner Flavin commented that RISC has provided great services and attorneys for cases that he has been involved.

DIRECTORS REPORT:

Mr. Unangst stated on the ongoing building report. A plan of action has been promised by Facility Planning in the next two weeks.

Mr. Unangst does not feel that local Sheriff's offices will be able to perform background checks as promised. Mr. Unangst is investigating other places for digital fingerprinting and background checks at PSI testing sites.

Mr. Unangst introduced a new employee in the accounting department, Ms. Anjalena Gillem. She will be working as an Accountant 2.

Commissioner Flavin previously inquired how many states allowed dual agency. Mr. Unangst reported that 42 states allow dual agency and 8 do not.

In regards to the Continuing Education Special Committee, Mr. Unangst reported that a meeting was held with Dr. Kelley Pace, who holds the Louisiana Real Estate Chair at Louisiana State University. The meeting was held to discuss the objectives of the committee. Dr. Pace will serve as an unpaid consultant to the committee.

Mr. Unangst briefed the Commission on the licensing, enforcement, regulation, and adjudication of appraisal management companies in Louisiana. The negative impact of appraisers on real estate transactions is a common problem in Louisiana. Although this does not fall under the jurisdiction of the LREC, Mr. Unangst wants the Commission to be aware of the upcoming legislation for the Louisiana Real Estate Appraisers Board that will affect appraisal management companies if passed. Federal legislature was passed in the Dodd-Frank Bill and states that each state must adopt statutory procedures and rules for licensing, registration, enforcement, and adjudication of appraisal management companies. Effective January 1, 2011, appraisal management companies began being licensed in our state. Currently there are 122 licensed companies, with 115 being out of state and 7 being in state. The current law does not allow a registration or renewal fee to be collected for licensing these companies. The current LREAB budget of \$200,000 does not fund the cost of enforcement for the AMCs. Mr. Unangst has met with representatives of Louisiana Realtors, Louisiana Bankers Association, and REVAA (the national AMC association), and all have pledged support for funding through a fee bill. Mr. Unangst stated that a fact packet will be provided to the Commissioners. Mr. Unangst requested that the Commissioners become acquainted with the facts and if they agree, educate their local representatives and senators. Commissioner Stafford questioned whether there is any organized opposition to the upcoming bill. Mr. Unangst stated only one local company has opposed the bill. Commissioner Flavin questioned the House Bill number and Mr. Unangst stated a bill has been pre-filed but the number will be changed to due upcoming language changes.

PUBLIC COMMENT:

None

UNFINISHED BUSINESS:

None

NEW BUSINESS:

Commissioner Flavin made motion, seconded by Commissioner Stafford, to approve the stipulations and consent orders in the cases indicated in their memorandum dated April 13, 2011. Motion passed without opposition. (Attachment C)

There being no further business, Commissioner Stafford motioned to adjourn meeting, seconded by Commissioner Songy. Motion passed without opposition.

FRANK TRAPANI, CHAIRMAN

PATRICK T. CAFFERY JR., SECRETARY

