

MINUTES OF MEETING
OF
LOUISIANA REAL ESTATE APPRAISERS BOARD

June 19, 2017

The Louisiana Real Estate Appraisers Board held its regular business meeting on Monday, June 19, 2017, at 9:00 a.m., at 9071 Interline Avenue, Baton Rouge, Louisiana, according to regular call, of which all members of the board were duly notified, at which meeting the following members were present:

BOARD

Clayton F. Lipscomb, Chairman
Janis Bonura, Vice Chair
Cheryl B. Bella, Secretary (Arrived at 9:10 a.m.)
Seymon S. "Windy" Hartzog
Terry L. Myers
Kara A. Platt
James R. Purgerson, Jr.
Margaret K. Young

STAFF

Bruce Unangst, Executive Director
Arlene Edwards, Legal Counsel
Summer Mire, Confidential Assistant to Mr. Unangst
Anne Brassett
Debbie DeFrates
Robert Maynor
Chad Mayo
Henk vanDuyvendijk
Jenny Yu

GUESTS

Caroline Catchings, Adams and Reese, LLP
Joe Mier

Board members Robert McKinnon and Rebecca Rothschild were unable to attend the meeting.

Call to Order

Mr. Lipscomb called the meeting to order and led the Invocation and Pledge of Allegiance.

Approval of Minutes

On motion made by Mr. Purgerson and seconded by Ms. Bonura, the minutes of the April 17, 2017 meeting were unanimously approved as written and circulated.

Budget Report

Ms. Yu provided the budget report for the period ending May 31, 2017 (*See Attachment A*). Although revenue remains down due to a lighter renewal, expenses are down as well and the budget remains in the black.

Director's Report

Director Unangst advised that the Board will need to formally approve the budget for the next fiscal year at next month's business meeting, as required by state law.

Unfinished Business – None

New Business

Director Unangst noted that the Southeastern Louisiana University Business Center contract has been adopted. No motion needed.

Due to the lack of available staff needed to manually enter appraiser continuing education records each year, it has been incumbent upon all licensed appraisers to be responsible for maintaining their own continuing education files. Since we do not require submission of continuing education course certificates as a prerequisite to license renewal, the Appraisal Subcommittee allows us to conduct a random 10% audit of all appraisers who renew each cycle. This is to ensure that less than 10% of those audited failed to comply with the continuing education requirement. Based on this year's audit, Mr. Maynor advised that over 10% of appraisers have been found noncompliant; he is going to reach out to Neal Fenochietti, our Program Policy Manager with the Appraisal Subcommittee, to inquire about conducting a 100% continuing education audit for the 2018-2019 license renewal cycle in lieu of any additional action this year. Mr. vanDuyvendijk has fielded many argumentative phone calls from appraisers found in noncompliance. He feels very strongly about conducting a full audit and fining all appraisers who have not complied with the continuing education prerequisite for license renewal.

A lengthy discussion ensued regarding confusion amongst licensed appraisers relative to appraiser continuing education. Mr. Mier addressed the Board, stating that many licensed appraisers assume courses approved by the LREC will automatically carry over for appraiser continuing education. He was reminded that this is not the case; it is boldly noted on the Board's website that any course not pre-approved for appraisal continuing education must be submitted to the office prior to renewal for predetermination approval.

Director Unangst provided an update on the new software program, which he expects to be up and running within sixty days. He anticipates education records being electronically reported by all approved appraisal education providers, similar to the program currently used by the Commission. Director Unangst advised that Ms. DeFrates, Administrative Manager for the LREC Education Division, will assist in training Ms. Brassett to ensure a smooth transition.

In an effort to provide availability of more continuing education offerings throughout the state, Mr. Unangst and Mr. VanDuyvendijk have held open meetings with appraisers at various statewide locations to discuss upcoming/important issues affecting the appraisal industry. Appraisers who attend these venues receive continuing education credit.

The Board also discussed the implementation of a mandatory continuing education course every year, in addition to the AQB-mandated USPAP Update Course. Ms. Bella made motion, seconded by Ms. Bonura, to authorize staff and Board members to work together to develop an annual mandatory 4-hour continuing education course program. Motion passed without opposition. This will require legislative approval.

Mr. vanDuyvendijk receives and reviews all experience logs to verify work hours, etc. These logs are not submitted until the end of the required 24-month/36-month training period. He has reviewed quite a few that list inaccurate information and/or work hours. Mr. VanDuyvendijk believes that trainees need to be better educated in proper completion of the experience log. He suggested that this might be a good mandatory topic. Another option would be to monitor the experience logs of all trainees on a quarterly or annual basis in an effort to catch any inconsistencies prior to submission of the final work product.

Mr. VanDuyvendijk advised that Errors & Omissions coverage for appraisers was an issue discussed at the AARO Conference in Washington, DC., more specifically was clarification regarding the definition of "intended user" of the report. While licensed appraiser trainees are not required by law to obtain E & O coverage, this will likely become an issue down the line.

The AQB is changing the guidelines for the Certified Residential Appraiser designation. While changes are still in the discussion phase, it appears that the bachelor's degree requirement will be eliminated. If this is done, Louisiana may have to implement the "Licensed Residential" designation, which comes between the "Trainee" and "Certified Residential" license classifications. Mr. Mier feels there is a "stigmatism" toward trainees, as well as a huge stumbling block to move up the ladder to certification. He believes the interim classification may eliminate this problem. Mr. VanDuyvendijk will poll other jurisdictions to see if they have the "Licensed Residential" designation and how it is working for them. If Louisiana decides to add this license, the law will have to be changed.

One last issue at hand is Certified Residential appraisers working toward a Certified General credential. While not required to obtain a trainee license and supervisor of record to gain commercial experience, only nonresidential work performed on properties over \$250,000.00 require the co-signature of a commercial appraiser in good standing with the Board. There is also the issue of liability, which ultimately falls on the General appraiser.

Executive Session

On motion made by Ms. Bella and seconded by Mr. Myers, the Board voted to enter into Executive Session. Motion passed without opposition.

While in Executive Session, the Board unanimously voted to return to regular session.

Ms. Bonura made motion, seconded by Mr. Myers, to add an item to the agenda. Motion carried unanimously.

On motion made by Ms. Bella and seconded by Ms. Bonura, the Board voted to authorize the Executive Director to promulgate appraisal management company rules and regulations as necessary in the future. Motion passed by unanimous vote.

There being no further business to discuss, the meeting was adjourned on motion made by Mr. Myers and seconded by Ms. Bonura.

Clayton F. Lipscomb, Chairman

Cheryl B. Bella, Secretary