

MINUTES OF MEETING
OF
LOUISIANA REAL ESTATE APPRAISERS BOARD

April 20, 2018

The Louisiana Real Estate Appraisers Board held its regular business meeting at 9:00 a.m. on Friday, April 20, 2018, 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 M. Bonura, Vice Chair
Seymon S. Hartzog
Robert E. McKinnon, Jr.
Terry L. Myers
Kara A. Platt
James R. Purgerson, Jr.
Rebecca A. Rothschild
Margaret K. Young

STAFF

Bruce Unangst, Executive Director
Arlene Edwards, Legal Counsel
Summer Mire, Confidential Assistant to Mr. Unangst
Anne Brassett
Mark Gremillion
Henk vanDuyvendijk
Jenny Yu

Board member Cheryl Bella was unable to attend the meeting.

GUESTS

Neal Fenochietti, Appraisal Subcommittee Policy Manager
Jacob McCon, Haynie and Associates
Joe Mier, Certified Residential Appraiser; LA Real Estate Appraisers Coalition
Jenny Tidwell, Appraisal Subcommittee Policy Manager

Call to Order

Chairman Lipscomb called the meeting to order and led the Invocation; Ms. Bonura led the Pledge of Allegiance.

Approval of Minutes

On motion made by Mr. Purgerson and seconded by Ms. Bonura, the minutes of the March 19, 2018 meeting were approved as written and circulated.

2018 ASC Audit Report

Mr. Fenochietti and Ms. Tidwell introduced themselves to the Board and provided an overview of what the Appraisal Subcommittee (hereinafter referred to as "ASC") does and why. The ASC was created by Congress under Title XI of FIRREA (See pages 69–82 of the ASC Annual Report 2016). The ASC is required to monitor every state's appraisal licensing and enforcement program to ensure compliance with Title XI and the Uniform Standards of Professional Appraisal Practice (USPAP). On-site reviews are typically performed once every two years.

The review process begins one to two months prior to the on-site visit. The policy managers request lists of all Title XI related documents, such as initial license applications, temporary practice permits, education, and complaint files, issued since their last on-site review.

Approximately two weeks prior to the compliance review, staff receives a request from the policy managers to pull specific files from the original list to be reviewed during the on-site visit.

Compliance reviews are typically scheduled to coincide with a meeting of the state's regulatory body. Preliminary findings of the review are communicated to the state within two weeks. The state has 60 days to respond, and that response is provided to the ASC for its final report.

Policy Statements 1 through 7 are the measures used to grade the states (See pages 81-99 of the ASC Annual Report 2016). States may receive grading of "Excellent", "Good", "Needs Improvement", "Not Satisfactory", or "Poor". Following our previous on-site review in 2016, Louisiana's appraiser regulatory program received a rating of "Good".

The next ASC review will take place sometime in 2020. This review will entail a separate review of the state's Appraisal Management Company regulatory program to ensure compliance with federal and state laws.

In closing, Mr. Fenochietti reported that staff worked diligently and was very accommodating during their visit. Files were well organized and maintained. He advised that three items noted in the previous review findings were all cured, and the program is running very well. He expects a positive finding from the final report.

Ms. Tidwell addressed the Board, noting that she has been a program manager for 15 years, last visiting Louisiana in 2004. She is extremely impressed with staff's knowledge and dedication to the program and would not hesitate to refer other states to us for guidance.

Director Unangst thanked Mr. Fenochietti and Ms. Tidwell for the assistance they provide to us during the compliance review and throughout the year.

The record should reflect Mr. McKinnon's arrival at 9:40 a.m.

Budget Report

Ms. Yu provided the budget report for the period ending March 31, 2018 (See *Attachment A*). Revenue is up \$40,000 from this time last year, yet the budget remains in the red due to Federal Trade Commission legal fees. Operating fees are up because of the books ordered for the USPAP seminars; however, this fee is passed on to the attendees and back to the Board.

Director's Report

Director Unangst briefed Board members on H.R.2255 (See *Attachment B*), which provides amendments to Dodd-Frank to help small banks. The bill removes more onerous record-keeping requirements; it also contains the movement to exempt appraisal requirements in rural areas where there are no state-certified appraisers. The bill has moved to the Senate.

Director Unangst reported on the growing number of real estate licensees marketing themselves and selling evaluations rather than broker price opinions (BPOs). He's concerned this may be a violation of our law and is uncertain as to what the course of action should be. Our law and rules seem quite clear in defining an evaluation, as do the Uniform Standards of Professional Appraisal Practice (USPAP). Director Unangst advised that real estate agents performing these evaluations are not covered under their Errors & Omissions through RISC Insurance; if RISC were to get sued over such actions, rates would soar. Chairman Lipscomb agreed that this matter definitely needs to be looked at closer.

Public Comment - None

Unfinished Business - None

On motion made by Ms. Bonura and seconded by Mr. Myers, the Board voted unanimously to enter into Executive Session.

Executive Session

Mr. Purgerson made motion, seconded by Ms. Bonura to return to the regular business meeting. Motion passed without opposition.

New Business

Board members were previously provided with the new Real Property Appraiser Qualification Criteria recently adopted by the Appraiser Qualifications Board (AQB). These Criteria go into effect May 1, 2018 (*See Attachment C*).

Mr. vanDuyvendijk reported on the appraiser license designations of our neighboring states (*See Attachment D*).

On motion made by Ms. Bonura and seconded by Ms. Rothschild, the Board voted to add discussion of the new AQB qualification criteria for Certified Residential and Certified General license classifications to the agenda.

Following a brief review of the changes, and on advice from counsel, Ms. Bonura made motion, seconded by Ms. Rothschild, to amend our rules and regulations to be consistent with the new AQB requirements, and to immediately accept any incoming experience credit applications under the new guidelines. Motion passed without opposition.

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