

MINUTES OF MEETING
OF
LOUISIANA REAL ESTATE APPRAISERS BOARD

July 13, 2020

The Louisiana Real Estate Appraisers Board held its regular business meeting, via Zoom teleconference, at 9:00 a.m. on Monday, July 13, 2020, according to regular call, of which all members of the board were duly notified, at which meeting the following members were present:

BOARD

Kara A. Platt, Chair
Robert E. McKinnon, Jr., Vice Chair
Rebecca A. Rothschild, Secretary
H. Carter Leak, IV
Mark Major
Terry L. Myers
F. Troy Williams
Margaret K. Young

STAFF

Bruce Unangst, Executive Director
Arlene Edwards, Legal Counsel
Summer Mire, Deputy Director
Anne Brassett, Program Administrator
Logan Cockerham
Tom Devillier
Melissa Fowler
Mark Gremillion
Ryan Shaw
Henk vanDuyvendijk
Jenny Yu

Board member Robert Russell was unable to attend the meeting. Carter Leak arrived at 10:20 a.m.

GUESTS

Cheryl Bella
Melissa Bond
Janis Bonura
Ryan Haynie
Mitch Kapoulas

Call to Order

Ms. Platt called the meeting to order. Ms. Mire called roll to ensure that a quorum was present. Mr. Williams led the Invocation; Ms. Platt led the Pledge of Allegiance.

Approval of Minutes

On motion made by Ms. Young and seconded by Mr. Myers, the minutes of the March 9, 2020 meeting were unanimously approved by roll call vote as written and circulated.

Budget Report

Director Unangst provided the budget report. Mr. Major made motion, seconded by Ms. Rothschild, to approve the revised 2019-2020 and projected 2020-2021 and 2021-2022 budgets (*See Attachment A*). Motion passed by unanimous roll call vote.

Mr. Williams made motion, seconded by Ms. Young, to approve the Louisiana Attestation Questionnaire (*See Attachment B*). Motion passed by unanimous roll call vote.

Director's Report

Director Unangst reported that, despite COVID, the office is open and running smoothly with a rotating staff.

Investigative Matters

Mr. Devillier advised that there are currently 25 open appraisal complaints. Due to COVID-19, all administrative and legal deadlines had been frozen until June 15, 2020. He's spoken with Mr. vanDuyvendijk, who reported there will likely be five or six informal hearings held between now and the next board meeting.

Director Unangst advised that Board members have provided assistance in the past to staff handling incoming appraisal complaints. However, the FTC has taken the stand that members may be involved, but must recuse themselves from the hearing process. Mr. Devillier has seen this work with other regulatory boards, but noted that the recusal process can affect a quorum. Ms. Edwards feels that Board involvement should be strictly limited; if a member must be involved in the complaint process, they should be apprised of facts only. The Attorney General's office will not defend Boards, or members, should they be sued for anti-trust issues, which is very costly.

Mr. vanDuyvendijk stated that he mainly needs Board support/information on comparables used in reports for which complaints are filed. Mr. Williams inquired as to whether or not a Board member contacted by Mr. vanDuyvendijk for this type of information would need to recuse himself if the names of the complainant and/or respondent were not disclosed. Ms. Edwards advised that although the Board member would not be legally required to do so, they could be sued, nonetheless, and urged them to proceed with caution. Director Unangst will meet with Ms. Edwards, Mr. Devillier, and Mr. vanDuyvendijk to establish a method for fact-finding.

Ms. Bond addressed the Board, advising that she would be happy assist Mr. vanDuyvendijk. She noted that she has MLS access, whereas LREAB staff members do not. It would be very costly for Mr. vanDuyvendijk to obtain access to Realtor Boards throughout the state. Board members felt this would be a good idea.

Unfinished Business

Director Unangst deferred to Mr. Devillier for an update of HB190. Mr. Devillier noted that new guidelines relative to evaluations were supposed to be released. The LREAB has decided to park their "placeholder bill", which can be re-assessed at a later date.

New Business

Ms. Platt read the ASC Resolution aloud. Director Unangst advised that this grant was essentially born out of Dodd-Frank and federal rules. The ASC is anticipating an annual income of between three and four million from the AMC federal registry fee collection. Director Unangst noted that the grant money would allow for the upgrade of our software program to receive and process the AMC registry fees and any other AMC updates; adding a full-time administrator for the appraiser program; and training for investigators and staff as needed. Mr. McKinnon inquired as to when the AMC registry fee would be implemented; Director Unangst advised that it would likely be at renewal time. Ms. Rothschild made motion, seconded by Mr. Major, to approve the resolution. Motion passed by unanimous roll call vote.

In March of this year, due to COVID-19, Governor Edwards precluded all Boards from moving forward on adjudications through June 15th. Director Unangst has no idea as to when the Board will be able to hold formal meetings, or whether formal hearings can be conducted via Zoom. Ms. Edwards advised that it is extremely difficult to hold hearings via Zoom, and she would prefer not to do so. Mr. Devillier expects another order from the Governor in approximately two weeks, which should give us updated information on how to move forward.

Ms. Platt has been contacted by residential appraisers several times regarding the current threshold for appraising vacant land. She believes the threshold needs to be increased. Ms. Rothschild advised that it's very difficult to appraise vacant land without proper training; raising the threshold could significantly increase the cause for error. Ms. Young noted that her E & O insurance requires a special rider for appraising vacant land. Ms. Platt would like to hear the perspective from residential appraisers who do appraise land.

Discussion followed regarding the residential appraiser's understanding of Highest & Best Use when appraising vacant land, and the fact that he or she can utilize the assistance of a commercial appraiser. Mr. McKinnon made motion, seconded by Mr. Hartzog, to raise the threshold to follow the federal guidelines. Mr. McKinnon and Mr. Hartzog amended their original motion to authorize and direct staff to review and draft language to increase as written.

Mr. vanDuyvendijk and Ms. Young both handle the review of experience applications and appraisal reports submitted by applicants for certification to verify USPAP compliance. They noted existing problems concerning logs that aren't legible and supervisors that aren't fully aware of their part in completing the log application. Ms. Rothchild recommended the possibility of an instructional video on properly completing the experience log. Mr. vanDuyvendijk suggested that trainees be required to meet with Board members prior to upgrading. Ms. Young noted that the classes previously offered by Director Unangst and Mr. vanDuyvendijk were very well received and recommended they consider doing that again. Ms. Young and Mr. vanDuyvendijk will work together to develop instructional information on log completion. Director Unangst likes the idea of an instructional video and feels that experience work may need to be submitted on a quarterly basis for review.

Ms. Bond teaches the "Supervisor/Trainee Course" in Mississippi and feels the sole responsibility of proper log completions rests on the trainee and supervisor. Mr. Williams requested that Ms. Bond provide Director Unangst with a cost estimate for developing an online class for Louisiana. The Board will further discuss this at the September meeting.

The USPAP Update seminars have been moved to the end of the year; however, how and if they will be offered remains to be seen. There is a possibility of Mr. Shuffield conducting them via Zoom. This will be discussed at the September 14, 2020 business meeting.

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

Kara Platt, Chairperson

Rebecca Rothschild, Secretary