

MINUTES OF MEETING
OF
LOUISIANA REAL ESTATE APPRAISERS BOARD

March 11, 2019

The Louisiana Real Estate Appraisers Board held its regular business meeting at 10:00 a.m. on Monday, March 11, 2019, 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

Kara A. Platt, Chair
Robert E. McKinnon, Jr., Vice Chair
Rebecca A. Rothschild, Secretary
Seymon S. "Windy" Hartzog
H. Carter Leak, IV
Mark Major
Terry L. Myers
Robert L. Russell
F. Troy Williams

STAFF

Bruce Unangst, Executive Director
Arlene Edwards, Legal Counsel
Anne Brassett
Mark Gremillion
Robert Maynor
Summer Mire
Ryan Shaw
Jenny Yu

Board member Margaret Young was unable to attend the meeting.

GUESTS

Cheryl Bella
Joe Gendron, Louisiana Bankers Association
Ryan Hanie
Joe Mier

Call to Order

Ms. Platt called the meeting to order. Mr. Williams led the Invocation; Ms. Platt led the Pledge of Allegiance.

Approval of Minutes

On motion made by Mr. Russell and seconded by Mr. Leak, the minutes of the January 7, 2019 meeting were approved as written and circulated (*See Attachment A*).

Budget Report

Ms. Yu provided the budget report for the period ending January 31, 2019 (*See Attachment B*). Revenue is up by \$7,000; professional services, travel, and personnel are down; however, operating services are up due to the purchase of books for the Board sponsored USPAP Update seminar. The budget remains in the black and is up from last year.

Director's Report

Director Unangst advised that our rule changes went through without any opposition and become effective March 20, 2019. We were required to revise the rules to follow those enacted by the Appraiser Qualifications Board (AQB). Pending approval of our rules, we were able to allow appraisers to apply under the AQB enactment date of May 1, 2018.

The 2019 USPAP Update Seminar sessions are currently being scheduled and dates should be finalized within a week. Ross Shuffield will be instructing the classes in four locations throughout the state.

Public Comment - None

Unfinished Business

Mr. Gendron provided a draft of proposed legislation regarding the issue of evaluations (*See Attachment C*). Ms. Platt opened the discussion by thanking Mr. Gendron for LBA's continued support and valuable assistance to the Board.

Board and audience members held a lengthy discussion relative to LBA's recommended revisions to the current rules, during which several points of concern were addressed:

- Mr. Russell spoke with Cindy Rice-Grissom, RICE Insurance Underwriters, regarding Errors & Omissions insurance. RICE hasn't had any experience regarding evaluations and Ms. Grissom is not aware of any claims being filed. She doesn't foresee any problems with coverage.
- Director Unangst suggested the need for better clarification regarding appraisers adhering to USPAP. Evaluations are not covered in the federal law/rules, but rather interagency guidelines. Including interagency guidelines in our law could result in problems because these guidelines are not statutes and could easily change at any time in the future.
- Ms. Bella reported that the Appraisal Institute has studied the evaluations issue and compiled statistics, easily available for review by state regulatory boards. She recommended looking at those states that have already dealt with the problem to see how its impacted them.
- Board members questioned defining evaluations in our law; they are hesitant to include anything other than interagency guidelines. Mr. Williams cautioned that the law needs to indicate interagency guidelines are **not** USPAP compliant. If defined in the law, there must be differentiation provided relative to evaluations being strictly an "opinion of value".
- Banking members on the Board noted that small banks are more likely to do internal evaluations using their bank employees, whereas the larger financial institutions are using online evaluation markets. Mr. Major advised that 99% of their loans use licensed appraisers, unless the loan is very small; Mr. Leak concurred.

Following additional discussion, Director Unangst noted that the Board has not received any complaints regarding evaluations. Should that occur, they will be adjudicated under our law.

This year's legislative session starts April 8, 2019. Director Unangst is hopeful that the Board and LBA can come to a general consensus regarding LBA's proposed legislation prior to then. Mr. Gendron will take all recommendations made today into consideration and plans to divide the proposed amendments into separate, stand alone bills. He will send the changes to Director Unangst for dissemination and Board comment.

Mr. Williams made motion, seconded by Mr. Hartzog, *not* to accept LBA's proposal as presented. Motion passed by unanimous vote. Mr. Gendron inquired about the Board's support if the language is changed to their liking. Director Unangst can discuss any revisions with the Board without holding a formal meeting.

New Business

Ms. Platt had questioned putting a time limitation in place for the trainee license, and possibly a limit to the number of times a trainee may retake the certification examination. Staff advised that the rules/regulations previously included language limiting the period in which trainees could remain in that classification for a period not to exceed six years. This was removed from the law at the recommendation of the AQB. Furthermore, limiting the number of times a trainee can test would not be beneficial. Mr. Mier addressed this issue, noting that he has a trainee who is very close to submitting his experience for certification; he believes the "licensed residential" classification would prove beneficial, particularly to those trainees who never attended college. Director Unangst will inquire with other state boards on this matter.

Director Unangst advised that the Board must formally authorize a resolution regarding the dismissal of iMortgage's appeal. On motion made by Ms. Rothschild and seconded by Mr. Russell, the Board voted unanimously to approve such resolution.

Mr. Russell made motion, seconded by Mr. Hartzog, to enter into Executive Session to further discuss FTC matters. Motion passed by unanimous roll call vote.

Executive Session

On motion made by Mr. Myers and seconded by Mr. Williams, the Board voted to return to regular session. Motion passed without opposition.

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

Kara Platt, Chairperson

Rebecca Rothschild, Secretary