

MINUTES OF MEETING  
OF  
LOUISIANA REAL ESTATE APPRAISERS BOARD

December 20, 2010

The Louisiana Real Estate Appraisers Board held its regular business meeting on Monday, December 20, 2010, 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**

Leonard E. "Pete" Pauley, Jr., Chairman  
Roland M. Hall, Sr., Vice Chairman  
Gayle A. Boudousquie, Secretary  
H. Dan Derbes  
Michael A. Graham  
Newton J. "Butch" Landry  
Heidi C. Lee  
Gary Littlefield  
Tommie E. McMorris, Sr.

**STAFF**

Bruce Unangst, Executive Director  
Arlene Edwards, Legal Counsel  
Mark Gremillion  
Robert Maynor  
Summer Mire  
Al Rowe  
Marsha Stafford  
Jenny Yu

**GUESTS**

Joe Gendron, Louisiana Bankers Association  
Norman Morris, Louisiana Realtors  
Ross Shuffield

**Call to Order/Approval of Minutes**

Mr. Pauley called the meeting to order. On motion made by Mr. Hall and seconded by Ms. Lee, the minutes of the November 15, 2010 meeting were unanimously approved as written and circulated.

**Experience Review Report** – No report given.

**Budget Report**

Director Unangst provided an overview of his revenue enhancement report (*See Attachment A*), which touches on areas that can be looked at in an effort to alleviate the projected budget shortfall. In addition to proposing AMC fees and an increase from \$50 to \$150 for the issuance of temporary practice permits, Mr. Unangst also suggested increasing the registration fee for the annual USPAP Update seminars from \$38 to \$50, which would allow the board to recover actual costs incurred. He recommended that the board have a strategy in place regarding proposed fee legislation by February. Mr. Pauley advised that legislators need to be aware that there is no opposition to the AMC fee legislation from the real estate and banking industries.

Mr. Derbes reminded members about Governor Jindal's position on fee increases. Derbes does not feel optimistic regarding such legislation, but reiterated that the board will be out of money by July of 2012. Mr. Pauley reminded Mr. Derbes that this issue has been brought up time and time again, and ordered that the meeting move forward. Derbes requested that the minutes of the meeting reflect that the chairman would not allow him to continue speaking.

Ms. Lee made motion, seconded by Mr. Landry, to approve collection of the \$50.00 USPAP registration fee. Motion carried.

Ms. Boudousquie made motion, seconded by Mr. Graham, to approve the 2010-2011 revised budget and the 2011-2012 projected budget, with inclusion of the increased USPAP cost revisions. Motion passed by a vote of 7-1, with Mr. Derbes opposing.

Ms. Boudousquie made motion, seconded by Mr. Littlefield, to approve the board's rental agreement with the Louisiana Real Estate Commission for use of the building for the 2010-2011 fiscal year. Motion carried by unanimous vote.

### **Director's Report**

Mr. Unangst will meet with Mr. Pauley within the next few weeks to discuss proposed legislative matters. He introduced Ms. Mire, who kindly agreed to take minutes of the meeting in Ms. Brassett's absence, and ended his report by wishing everyone a Merry Christmas.

### **New Business**

Ross Shuffield, a Certified General real estate appraiser, Appraiser Qualifications Board (AQB) certified USPAP instructor, and instructor of the board-sponsored USPAP Update Course for the past 15 years, addressed the board regarding his desire to raise the level of competency amongst the appraisal industry. Shuffield has heard from board members, past and present, lending institutions, and licensed appraisers regarding the perceived lack of competency, and feels this as an ongoing issue that needs to be addressed. He is proposing the development of a three-to-four hour interactive workshop, to be co-sponsored by the Baton Rouge Subchapter of the Appraisal Institute and the Louisiana Bankers Association, that will address appraiser incompetency and ways in which to improve the overall perception that currently exists. If the initial presentation, held locally, is well received, the workshop will be expanded throughout the state, and possibly selected as a mandatory post-licensing workshop for trainees. Mr. Shuffield advised that he has been contacted by several certified appraisers who have expressed an interest in volunteering their services as instructors. Shuffield plans to present a request for approval of the workshop within the next few months.

On behalf of the board, Mr. Pauley expressed appreciation regarding Mr. Shuffield's proposal. He suggested putting a questionnaire on the website, as well as sending an email blast to all licenses appraisers, requesting their comments and/or concerns regarding this issue.

Mr. Littlefield introduced Joe Gendron, who runs the governmental relations side of Louisiana Banker's Association. Littlefield noted that Mr. Gendron has been very instrumental in assisting the banking industry with legislative matters. Mr. Gendron advised that while the LBA board has not yet formally voiced its support of the AMC fee legislation, he feels confident the board will be very much in support the bill.

LBA's involvement with appraiser competency issues resulted from concerned bankers throughout the state regarding the lack of comparables in rural Louisiana and how it adversely affects lending. Another area of concern is as the increased use of out-of-market appraisers by Appraisal Management Companies, which results in the increased use of appraisers that may not have the requisite experience of geographical knowledge of certain areas. LBA surveyed their members in an effort to determine how wide spread these issues are. Survey results came back with an overwhelming concern regarding the lack of comparables. Sixty-five percent of respondents said the lack of comparables, particularly in the rural areas, has prevented them from making loans.

LBA is meeting and talking with Freddie Mac and Fannie Mae regarding their objective standards and trying to convince them that, in addition to objective standards, there needs to be more subjectivity for the appraiser in order to rationalize why a comparable may be across town, yet it is the best comparable to use in the appraisal report. Mr. Gendron applauds Mr. Shuffield's proposal, noting that bankers and appraisers all have the same goal of improving the perception of incompetency by licensed appraisers.

Speaking on behalf of Louisiana Realtors, Norman Morris expressed support of the efforts put forth by the bankers and the appraiser board. He is hopeful the AMC fee bill will pass this year. Mr. Pauley thanked Mr. Gendron and Mr. Morris for their support.

Mr. Graham previously drafted language addressing energy efficiency. Ms. Lee made motion, seconded by Ms. Boudousquie, that the language be posted on the website.

Ms. Lee attended a meeting of the Appraiser Qualifications Board, held December 3, 2010 in New Orleans. Ms. Lee provided a brief overview of issues being considered by the AQB as follows:

- Applicants not certified within two years of passing the Certified Residential or Certified General Real Property Examination will be required to retake and pass the exam (already in our law);
- The experience requirement for certification will have to be satisfied prior to sitting for the examination;
- Taking "in lieu" out of the education requirements for certification and requiring the associates or bachelor's degree rather than allowable college credits. Also considering the creation of an AQB approved and authorized undergraduate degree.
- States will be required to perform background checks on applicants.
- The 7-Hour USPAP Update Course will have to be taken within the six-month period immediately following a new USPAP issue.
- Licensees cannot complete the same continuing education course twice within the same cycle; and
- A written examination will be required on any distance education course approved for continuing education.

Ms. Lee advised that state regulatory boards will have five years to enact any changes adopted by the AQB. She also suggested that one or more board member review the AQB and ASC websites monthly for any updates.

On motion made by Mr. McMorris, and seconded by Mr. Graham, the board voted to keep the current officers in their respective positions. Motion carried by a vote of 7-1, with Mr. Derbes voting against the motion.

The board voiced no opposition to the proposed business calendar for 2011. No motion made.

There being no additional items to discuss, the meeting was adjourned on motion made by Mr. Landry and seconded by Mr. Graham.

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Leonard E. "Pete" Pauley, Jr., Chairman

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Gayle A. Boudousquie, Secretary