

**FIRST REVISED MEMORANDUM OF UNDERSTANDING
LOUISIANA REAL ESTATE APPRAISERS BOARD AND
DIVISION OF ADMINISTRATIVE LAW**

1. PURPOSE

This First Revised Memorandum of Understanding (MOU) between the Louisiana Real Estate Appraisers Board (LREAB), and the Division of Administrative Law (DAL) sets forth the agreement of the parties with respect to conducting reviews of settlements with Appraisal Management Companies (AMC), and reviews of proposed actions, administrative complaints, and enforcement actions against AMCs.

2. AUTHORITY

DAL is authorized to provide administrative law judges on a contractual basis to any governmental entity not covered by the DAL Act, and to conduct administrative hearings for such entity. LSA-R.S. 49:999.1. This First Revised Memorandum of Understanding is entered into between the parties pursuant to Section 1 of Executive Order No. 17-16 (July 11, 2017).

3. CONTACTS

The contact for LREAB is:
Arlene C. Edwards
Attorney for the Real Estate Appraisal Board
9247 Bluebonnet Blvd. Ste. C
Baton Rouge, Louisiana 70810-2972
Voice 225-709-9000
edwards@demlawoffice.com

The contact for DAL is:
Lindsey K. Hunter
General Counsel
Division of Administrative Law
P.O. Box 44033
Baton Rouge, Louisiana 70802
Voice 225-342-1613
lhunter@adminlaw.state.la.us

4. DUTIES AND RESPONSIBILITIES OF LREAB

Prior to the initiation of an informal enforcement action, other than the initial request for a response from a licensee to a complaint made against that licensee; the filing of an administrative complaint, the finalization of a settlement agreement, or the adoption of a proposed enforcement order, each such proposed action with respect to an AMC regarding compliance with the customary and reasonable requirements of La. R.S. 37:3415.15(A), LREAB will transmit its proposed action and the record thereof to DAL. The record shall include a statement by LREAB supporting its proposed action, and all underlying information or records relating to the proposed action, for DAL to consider when determining whether to approve, reject, or modify the action proposed by LREAB.

5. DUTIES AND RESPONSIBILITIES OF DAL

Following submission of LREAB's proposed action and the record thereof, DAL will electronically submit its written decision to LREAB. The date of the submission shall be the date it is received at DAL through electronic submission. DAL's written determination will approve, reject or modify LREAB's proposed action, stating the reasons therefore with support from the record; and may remand the proposed action to LREAB with instructions or to obtain additional evidence for the record on review. If remanded, LREAB will

resubmit the record to DAL with the additional information in order for DAL to approve, reject, or modify LREAB action. DAL's determination will not be appealable by LREAB.

- (a) DAL shall review each request by LREAB to initiate an administrative complaint or informal enforcement action against an AMC, other than the initial request for a response from a licensee to a complaint made against that licensee, and, within 30 days of submission, shall determine (i) whether the evidence presented is sufficient to show a likelihood that the AMC has not complied with the customary and reasonable requirements of La. R.S. 37:3415.15(A) and implementing regulations, and (ii) whether the proposed enforcement action serves Louisiana's policy of protecting the integrity of residential mortgage appraisals, rather than merely serves the interests of affected market participants.
- (b) DAL shall review each proposed settlement agreement, dismissal, or informal resolution of any formal or informal enforcement action and determine whether the proposed enforcement action serves Louisiana's policy of protecting the integrity of residential mortgage appraisals by requiring that fees paid by AMCs for such appraisals are customary and reasonable in accordance with La. R.S. 37:3415.15(A), rather than merely serves the interests of affected market participants.
- (c) DAL shall review the entirety of the hearing record and evidence of each enforcement proceeding conducted by LREAB pursuant to La. R.S. 37:3415.20, the written proposed determination by LREAB as to whether one or more violations by an AMC of La. R.S. 37:3415.15(A) and rules promulgated thereunder have occurred, and any proposed remedy with respect to any such violation. DAL shall conduct this review according to the following standards:
 - (i) all questions of law and statutory and regulatory interpretations, including conclusions of law based on findings of fact, shall be determined by DAL without deference to the LREAB determinations;
 - (ii) the proposed remedy shall be reviewed by DAL to make an independent determination that such remedy serves the underlying policies of the State of Louisiana, or whether, in light of the determination by DAL of the findings of fact, another remedy would be more reasonable in accordance with La. R.S. 37:3415.19; and,
 - (iii) all findings of fact shall be determined by DAL by a preponderance of evidence based on its own evaluation of the record as a whole, giving due deference to the LREAB's determination of credibility issues.
- (d) for purposes Section 4 and Section 5, "informal enforcement action" shall mean any investigatory action undertaken prior to the filing of a complaint.

6. **ELECTRONIC FILE TRANSFER**

LREAB and DAL will transmit documents via DAL's electronic file transfer system. DAL will provide, implement, and maintain the electronic file transfer system for the receipt and docketing of LREAB review matters, and for transmitting case files, determinations, and other related documents.

7. RECORDS

LREAB shall retain records in accordance with their records retention policy, and acknowledges that DAL will retain records in accordance with their records retention policy.

8. PAYMENT

LREAB will pay DAL for providing the services specified in this agreement according to DAL's Billed Services Methodology and the Statewide Cost Allocation Program, or SWCAP. DAL will bill LREAB for its allocated annual costs at the beginning of the first quarter of each fiscal year. Service invoices will be sent quarterly and are payable upon receipt.

In the event there is an agreement to withdraw a proposed LREAB action from DAL's consideration prior to issuing and transmitting the determination, LREAB will be responsible for payment of any services provided from the time of submission until the completion of the withdrawal.

The billing address and contact is:

**Louisiana Board of Real Estate Appraisers
Bruce Unangst, Executive Director
Post Office Box 14785
Baton Rouge, Louisiana 70890-4785**

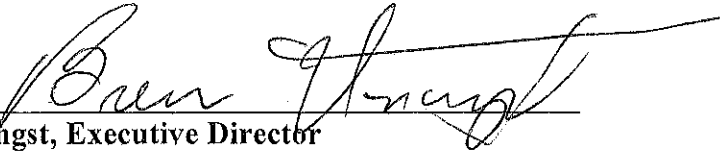
9. EFFECTIVE DATE, TERMINATION, AND AMENDMENT OF MOU:

Effective Date - The term of this agreement shall be from July 1, 2018 through June 30, 2020. Upon written request of LREAB within six (6) months prior to the expiration of the agreement, the parties shall make good faith efforts to negotiate a renewed or revised agreement for a minimum additional two (2) year term.

Termination - This agreement may be terminated at any time by DAL upon 30 (thirty) days written notice, or by either party as provided by applicable state or federal law.

Amendments and Termination - This agreement may be modified, in writing, as agreed upon by the parties, at any time, or terminated by agreement among the parties if necessary to reflect changes in applicable law.

APPROVALS:



**Bruce Unahst, Executive Director
Louisiana Board of Real Estate Appraisers**



**Emalie A. Boyce, Director
Division of Administrative Law**