



RESILIENT LOUISIANA COMMISSION

CO-CHAIR DON PIERSON

CO-CHAIR TERRIE STERLING

Banking, Real Estate, Housing, and Insurance Task Force
May 6, 2020
Meeting called to order at 9 a.m.

Banking, Real Estate, Housing, and Insurance Task Force members present:

- Alden McDonald Jr.
- Jimmy Maurin
- Ginger Laurent
- Ann Duplessis
- Hunter Hill
- Bill Hogan
- Stephen Hanemann
- Martin Mayer
- Barry Spizer
- Mike Wampold III
- Marco Ramos
- Markham McKnight
- Tom Clark
- Sharon O'Neal
- Brian Keller
- Helena Cunningham

- Mr. McDonald opened the meeting thanking the members for their willingness to serve on the task force. Mr. Jimmy Maurin was introduced as the Co-Chair of the Task Force. Mr. McDonald also spent time reviewing the goals of the Task Force as reflected on the communication that was provided to all members and the process that will be followed.
- Ann Duplessis briefly reviewed housekeeping items and reminded everyone that this is a public meeting, which is being recorded.
- Mr. Maurin then welcomed and thanked everyone as well for their diligent response to the Charge 1 – Crisis Response questions. He reviewed the charge from the Governor (as per the original meeting held on April 22nd). Mr. Maurin then detailed the “path forward” for this Task Force, which is outlined below.
- First two meetings to discuss Charge 1 – Crisis Response:
 - *The charge is to issue industry specific recommendations to respond to crisis needs as they evolve and to help safely implement any COVID-19-19 related orders of the Governor.*
 - *The goal of the task force and of Charge 1, is to provide information and solutions, from our industry’s perspective, that will contribute to the overall plan of the RLC of developing a Comprehensive Game Plan for a Resilient Louisiana: Crisis Response Phase.*
- Governor wants immediate feedback-most urgent charge. Third meeting will be Charge 2 which is long term resilience and build long term comprehensive game plan for a resilient Louisiana. This may create special session in legislature. The fourth meeting will be to finalize and submit final report to Governor.
- Mr. Maurin then suggested that we break up into 3 sub-groups based on industry to provide a better process of gathering necessary data and best practices that will ultimately be used as the basis for a Task Force response to the full Commission. The three groups and chairs are as follows:
 - Real Estate/Housing: Martin Mayer
 - Insurance: Markham McKnight
 - Banking: Hunter Hill
- Ann Duplessis will send out to sub-committee chairs the list of combined responses to questions proposed.
- Mr. McDonald then commented on a few thoughts regarding the new norms for our society and opened the floor to the Task Force members to give brief comments. Each member formally introduced themselves and their respective industries and provided their commentary of the concerns and recommendations moving forward thru this pandemic.

- Banking
 - Ginger Laurent of the Louisiana Bankers Association said the company has been operating throughout, but drive through business only and by appointment. Immediate concerns are how do we bring back workforce in a safe way, what safety measures put in place, how to reconfigure furniture and traffic flow for customer safety. Where to source PPE and knowledge of daycare and schools is also important
 - Hunter Hill of Iberia Bank said the bank locations have remained open, operating differently. Over 50 percent of banking workforce is working remotely, so it is giving confidence not to rush back to work. Key concerns are sourcing PPE, hand sanitizer for customers, testing and health screening, and child care. Also, his firm is Looking at liability side of things, as employer as well as property owner.
 - Stephen Hanemann of Keen Miller LLP said the delay of communication processing is an issue. Concerns about original deeds for properties when people purchase land, how is the speed of that process occurring. U.S. mail is not as reliable due to staffing shortages. He suggests creating essential services team at locales, where things need to be manually handled. Due to exclusions that are written into many policies, from the insurance side, business interruption coverage seems to be a major concern.
 - Bill Hogan of Century Next Bank says the industry is well capitalized, prepared for the long haul, and that regulators are understanding of the situation. Glad banking industry is in good shape.
- Real Estate Side
 - Martin Mayer of Sterling Prosperities said commercial real estate, particularly Retail industry and Hospitality area were the two most immediately impacted, most heavily impacted, and longest recovery period. Slowing retail will have a huge impact in Louisiana, as municipalities are dependent on retail sales tax. Only collected 30-40 percent of rents in April, with May and June expected to be worse. The stimulus packages that have been tasked exclude much of real estate world, because most are owned by LLCs. Working with associations promoting America's Recovery Fund - fund based upon operating expenses, that have to be used to pay debts, pay taxes. Concerned about inconsistency of messaging, as parishes are opening independent of one other. There needs to be a better coordination among the parishes, at least more than there is now. With respect to liability concern for opening up offices, opening up retail, there is a concern for the liability issues.
 - Mike Wampold of Wampold Companies said hospitality and retail has suffered swiftest and most immediate. He stated that hotels in BR were running at 70-80% occupancy, dropped to 7-8% occupancy overnight, many events canceled. His onsite employees are operating in accordance with CDC. Landlords are communicating these concerns and recommendations. For the residential housing segment, there has been little drop off if any, but he is anticipating apartment vacancies due to potential for layoffs in Oil and Gas industry. He stated that, regarding PPP, the problem is they make you spend those

funds within 8 weeks. Impractical and illogical. More time is needed to bring employees back over an extended period of time.

- Marcos Ramos of Godwyn & Stone Real Estate said his team of agents was working from home from before stay at home order was given from Mayor. They have implemented virtual tours, 3-D floor plan, tried to guide our agents to suspend open houses. Real-Estate transaction drops, and agents aren't making money. Some employees are preferring to take unemployment, developing incentives to bring employees back long term.
- Barry H Spizer of SRSA Commercial Real Estate said one of the biggest concerns is the concurrent drop in the Oil and Gas sector, which is closely related to the real estate industry. Also, as landlords, he and his colleagues can only provide as much help to their tenants as the bankers are going to work with us on.
- Helena Cunningham of National Housing Consulting Services says that she has been able to work remotely, though majority of work involves travel, which was put on hold. Many tenants are unable to pay rent. From the Developer perspective and construction perspective, some work has been put on hold or is moving slowly due to delay in receiving materials, which are sourced from overseas. She is looking forward to Governmental safety guidance for workers returning to job, third parties involved in business, and the need to confirm an abundance of PPE.
- Insurance
 - Markham McKnight of BXS Insurance said he is interested in support to limit liability for coronavirus. Broadly and immediately, clarity on liability and workers compensation, which is looming, is needed for the potential of people seeking damages for COVID 19 when we return to work. A clear message from State and Local on how to protect employees, what worker safety looks like, and an expansion of the negligence definition to include virus are all needed.
 - Sharon Swains O'Neal of Best & Swains Insurance Agency says her firm has operated as an essential business, opened drop boxes to prevent person-to-person interaction. She stated that the PPP program has been good for them, but there has no information back about SBA loan. She stated that many businesses may not reopen, so new skills training is needed.
 - Brian Keller of Blue Cross Blue Shield Louisiana says that 99% of workforce is working from home. They are seeing an increase in telehealth, and the need to make sure laws and payments keep up.
 - Tom Clark of Breazeale, Sachse & Wilson said regulatory and legislative efforts will be needed to address contracts retroactively; encourages being flexible.

- After the discussion with members the floor was opened to public comment. There were two individuals wishing to make comments. See Public Comment below:

PUBLIC COMMENT:

- *Tim Alexander – economist:* Advises banks and works with regulators. Challenges ahead with working capital. Cares Act has concessions for banks (relief for leveraged lending). Stimulus Act – allowances for people to submit requests. Opportunities to go straight to treasury to look to community banks for needing working capital or cash.
- *Natashia –* Has there been any discussion as to how the mortgage industry will address or assist potential home buyers who have had work interruption or even a change in work industry due to the pandemic. McDonald answered that the mortgage market- each institution has own rules for approving mortgages. Enough institutions with flexibility around to prop up market. Buyer employment history looked at but also need employment going forward to qualify for mortgage.
- *Tim Tibble* asked what the timeline is to report to full commission. McDonald replied that they will have recommendations by next week to send to commission. Andrew Doss said he will provide copy of recommendations to Tibble (Doss-coordinator to commission).
- With no further discussion Mr. McDonald thanked everyone and the meeting ended.

Meeting adjourned 10:18 a.m.