



BOUNDARY LINES

First Quarter 2021 Volume 53, No. 1

Chairman's Corner



I have been blessed to work with and learn from a great group of commissioners, staff, and stakeholders since being appointed to the commission a few short years ago. I am humbled to have my fellow commissioners pass the torch to me as chair for 2021!

Over the past year, many Louisianians have lost loved ones, suffered illness, lost income, and faced uncertainty due to the COVID-19 pandemic. The commission is ready to roll up our collective sleeves and do our part in meeting the great challenges and opportunities now facing our changing industry. One example of optimism in our industry is our current count of Louisiana real estate licensees has grown to 23,987 for 2021. This is the largest number of licensees in over 30 years!

The Commission serves the public in all real estate transactions, maintains high standards for licensing, regulates quality continuing education opportunities, and enforces state law with fair disciplinary actions. Accordingly, some of our priority projects on the table for 2021 include:

- Final implementation of paperless licensee application processes and the automation of the termination/transfer of sponsorship process will be included!
- Transition to Pearson VUE as our independent testing partner targeted for September 1, 2021. A total review and update of the questions on our Louisiana license exam will be included in this process.
- A comprehensive review of the Commission's citation schedule.
- Exploration of outreach opportunities to under served communities regarding real estate and professional opportunities.
- Under the leadership of our Standardized Forms Committee Chairman, Rick Roberts, a comprehensive review of the Commission's mandatory forms, including the Purchase Agreement and the Property Condition Disclosure.

Please reach out to the commissioner for your area, myself, or commission staff with any ideas, complaints, or suggestions that you may have. We're waiting to hear from you!

Sincerely,

Lacy Baaheth, Chairman

Thank You for Your Service!



LREC Chairman Lacy Baaheth (left) presents Rick Roberts (right) with a plaque commemorating his service to the commission as 2020 Chairman during the LREC January 2021 Regular Business Meeting.

The LREC thanks Commissioner Roberts for his remarkable tenure as Chairman and his dedication and service to the Louisiana real estate industry.



LREC Chairman Rick Roberts (right) presents outgoing commissioner Evelyn Wolford (left) with a plaque commemorating her service to the commission from 2013 - 2020 during the LREC November 2020 Regular Business Meeting.

The LREC thanks Commissioner Wolford for her remarkable tenure as a commissioner and her dedication and service to the Louisiana real estate industry.



LREC Chairman Rick Roberts (right) presents outgoing commissioner Jeffrey Donnes (left) with a plaque commemorating his service to the commission from 2014 - 2020 during the LREC November 2020 Regular Business Meeting.

The LREC thanks Commissioner Donnes for his remarkable tenure as a commissioner and his dedication and service to the Louisiana real estate industry.



The LREC thanks Commissioner Richman Reinauer for his remarkable tenure as a commissioner from 2014 - 2020 and his dedication and service to the Louisiana real estate industry.

Meet Your New Commissioners

Ted Major, a native of Clinton, Louisiana is a graduate of Southern University where he completed his Bachelor of Science degree, majoring in Vocational Agriculture with a minor in Agronomy.

He obtained his real estate license in 1981. Major worked for Century 21 Citywide Realtors for four years and Dick Brien Real Estate for four years. He obtained his Broker's License in 1984. He also obtained property and casualty and health and life insurance licenses. He opened the Major Agency Real Estate Company in 1989. He also worked for Western Electric and BASF Corporation.

Major served as President of the Baton Rouge Association of Real Estate Brokers where he was involved in assisting low to moderate income families with obtaining mortgage financing. He was awarded the Local Board President of the Year Award by NAREB in Atlanta, Georgia in 1998. He hosted Home Buyers seminars to educate, prepare, and familiarize clients with the process of becoming homeowners.

He served as the first Real Estate instructor for Mid-City Redevelopment and Founded the Inner-City Community Coalition, which allowed him the opportunity to host home buyers classes to participants at no cost. Ted has three children, Theodore, Tosh, and Tonya, and is married to Shire' Wade Major.



Joe Pappalardo, Jr. is President at Latter & Blum Property Management in New Orleans. Throughout his career, Pappalardo, Jr. has worked in various aspects of the real estate business where he excelled in commercial asset/property management, sales, leasing, and valuation. Previously, Pappalardo, Jr. held the position of In-House Counsel and Executive Vice-President.

With Pappalardo, Jr.'s guidance, Latter & Blum Property Management has invested heavily in technology with a focus on attracting and training specialized personnel. Pappalardo, Jr.'s focus on optimizing operations has helped Latter & Blum Property Management maintain its position as a market leader.

Pappalardo, Jr. earned his Bachelor of Science from Spring Hill College and his Juris Doctorate from Loyola University New Orleans College of Law. After admission to the Louisiana State Bar, Pappalardo, Jr. focused his practice in Real Estate Law and then later in corporate and commercial litigation. He is licensed to practice before the Eastern District Court of Louisiana, Middle District Court of Louisiana, Western District Court of Louisiana, and the United States Fifth Circuit Court of Appeals.

New Commissioners continued

Synde Devillier is currently owner/broker of Real Estate Specialists of Louisiana, Inc. Devillier has been a licensed real estate agent since 1990 and a broker since 1992.

She has served in a variety of REALTOR® leadership positions at the state and local level, including serving on the Louisiana REALTORS® Board of Directors since 2009. She also served as the Bayou Board of REALTORS® President in 2009, 2010, and 2017.

Devillier has served her community as a member of the Terrebonne Chamber of Commerce, the Terrebonne Economic Development Authority, the Sunrise Rotary Club, and more. She is also a member of Covenant Church of Houma.

Devillier is a graduate of Nicholls State University and resides in Houma with her husband, Mike Ezell. She is the mother of three children and grandmother to six grandchildren.



(L to R) LREC Chairman Rick Roberts swears in new commissioners Ted Major, Synde Devillier, and Joe Pappalardo, Jr. during the September 2020 Regular Business Meeting of the Louisiana Real Estate Commission.

The Do's and Dont's of Errors & Omissions Coverage

Things You Should Know to Avoid a Claim

REDUCE YOUR RISK OF FACING AN E&O CLAIM

- Resolve problems far before the closing date – Don't wait until the last minute to address issues. People who are rushed are more likely to make mistakes or overlook items.
- Don't try to be an expert at everything – Suggest clients obtain advice from other professionals, like attorneys, inspectors, appraisers, lenders, and surveyors, when needed. Provide a list (and keep a copy) of several names but do not recommend a specific individual or firm. This may help prevent another professional's mistake from becoming your problem.
- Listing agents should have the seller complete any required property disclosure form – If the seller is unable and requests the licensee fill out this form, write exactly what the seller says and ask the seller to review all responses carefully before signing the form. In that situation, the licensee should complete the section of the form that explains the licensee completed it at the seller's request and the seller agrees to hold the licensee harmless for any representations on the form.
- Remember the property's condition may change over the course of a listing – If problems arise while the property is listed, the listing agent should advise the seller to update the disclosure form accordingly and obtain the buyer's signature on the updated disclosure form.

INCREASE YOUR CHANCE OF A SUCCESSFUL DEFENSE

- Many claims are he-said / she-said cases. For example, a buyer will allege a particular issue was not disclosed and the real estate licensee will say it was. Without documentation, it's impossible to establish with 100% certainty who is telling the truth.
- Keep a log of conversations, recommendations, and activities.
- Send a brief follow up email to confirm conversations. Examples: "Just wanted to confirm that I recommended [name of recommended inspection / action], but you declined." "As we discussed, the seller informed me of [specific issue with the property], and you are comfortable proceeding with the transaction." "The due diligence period expires [date]. Again, please get me any requested repairs in writing today."
- Keep organized, detailed records of all real estate transactions.
- Recommend buyers obtain a home inspection and home warranty (and retain written evidence of the recommendation). If they decline, have them sign a form confirming this decision.
- When information is obtained from a third party, it is often a good idea to disclose the source. We've seen numerous claims where information from an apparently valid source turns out to be inaccurate. For example, if you believe a property is on city sewer based on a prior listing or a statement by the city utility office, disclose the source of your representation.

Editor's Note: This article was contributed by RISC Insurance. RISC provides the LREC's group E&O insurance program. This information is for illustrative purposes only. Nothing herein should be construed as legal advice or advice regarding any applicable standard of care. Rather, this information is intended to provide a general overview of certain products, services, and situations encountered in the course of our business. This information does not amend any E&O policy in any way. Only the policy can provide actual terms, coverages, amounts, conditions, and exclusions. In the event of a claim, the nature and extent of coverage is determined based on the claim's facts, circumstances, and allegations and application of the relevant policy's terms, conditions, and exclusions.

Licensing

Sponsoring Brokers: Use your MyLREC Portal to View your Agents' License Status and Education Records

MYLREC PORTAL
UPDATE CONTACT INFORMATION
PRINT LICENSE
SUPERVISED LICENSES
EDUCATION TRANSCRIPT
LICENSE MAINTENANCE FORMS
FEE HISTORY
OUTSTANDING FEES
INSURANCE / BONDS
RENEW LICENSE

Brokers who sponsor licensees or who are the qualifying broker for a company license should check the status of all licensees who are listed under their supervision to ensure that their licenses are in an operable status. If a license was not renewed or there is an issue with the license, the individual can not practice real estate. It is the broker's responsibility to ensure all individuals are properly licensed before any real estate activity is conducted.

For a quick and easy method of checking your sponsored licensees' statuses, log on to the MyLREC Portal for the sponsoring license (either personal broker or broker company) and click on "Supervised Licensees" in the sidebar. Here, you will find all licensees you or your company sponsor with a status description.

Licensees who have a status other than "Active" cannot practice real estate and should contact the Commission with any questions.

MyLREC Portal Sidebar.

Brokers can also check their supervised licensees' education transcripts on the "Supervision Listing" screen to ensure their licensees are on track to complete their annual continuing education.

Supervision Listing

Notes

- Table is sortable by clicking on column titles
- Table is searchable using the "Search" box
- Sort by License Printed to find licenses that need printing
- Use the  icon to print a license
- Use page numbers at bottom of page to move thru the listing or use Search
- [Click here to show page in print format.](#)

Show entries

Search:

Name	License	Effective Date	Expiration Date	Status	License Printed	Education	Print
No data available in table							

Showing 0 to 0 of 0 entries

Previous Next

NOTE: [Click Here to See Inactive Supervision Entries](#)

Sample view of Broker Supervision Listing in the MyLREC Portal.

Education Corner



2021 Mandatory Course Topic and Requirements

As part of the annual 12 hour continuing education requirement, all active licensees (sales and broker) are required to complete the four-hour mandatory course titled, **2021 Mandatory Course Topic: Basics of Investment Property and Property Management.**

There is no broker-specific mandatory course requirement for 2021.

The mandatory course topic must be completed through an approved LREC-certified real estate vendor prior to license renewal as part of the 12-hour continuing education requirement.

This course should not be confused with similar courses of the same name. Be specific and request the 2021 mandatory course topic.

All active licensees must take the above-listed mandatory course and eight hours of Commission-approved electives.

If you are a new licensee, please remember that completion of the 45-hour post-license curriculum does not relieve you from completing the mandatory course topic(s).

If you have any questions, please contact the LREC Education Division at education@lrec.gov.

Attention: New Licensees! Complete your Post Licensing Education on Time

Per section 907 of the LREC Rules and Regulations, "All initial licensees shall complete 45 post-license hours within 180 days of the initial license date. The hours shall satisfy eight of the 12 continuing education hours required for annual renewal. The remaining four hours shall be in the annual mandatory topic designated by the Commission."

Some initial licensees believe or have been told that 180 days is equivalent to 6 months. Initial licensees need to be aware that it is strictly 180 days from the date the license was issued, not 6 months. If a licensee waits 6 months to complete the course, they will more than likely end up in the Post Licensing (P/L) audit.

In order to eliminate confusion, licensees may log in to their MyLREC Portal to check if they are required to take Post Licensing Education and, if so, when their exact due date falls.

Please note that P/L education cannot be completed prior to the issuance of a license. If you complete the P/L course before your license is issued, it is invalid and you will be included in the P/L audit and be required to retake the course.

Another issue that some applicants encounter is the mistake of believing that passing the exam means that they are licensees. There are many steps that must be completed prior to the issuance of a license. Again, the MyLREC Portal is a great resource to use to check your license status. A "License Status" of "Active" will show once a license has been issued.

Account Overview

Contact Name:	LREC TEST
Credential Number:	SALE.995683717-ACT
License Type:	Salesperson Active
License Status:	Active
First Issued Date:	05/12/2021
Effective Date:	05/12/2021
Expiration Date:	12/31/2021
Post Education:	REQUIRED
Post Education Due:	11/08/2021

Compliance Desk

The Regulatory Compliance Division issued 1,186 citations from December 17, 2019 through April 28, 2021. The list below outlines the specific violations cited:

La. R.S.37:1442(A) Conducting real estate activity during the expiration of their license	59
La. R.S. 37:1449 (D)(1) Failure to retain records for a period of five years	1
La. R.S. 37:1446 (A) Paying a commission to unlicensed individual	1
La. R.S. 37:1455(A)(9) Acting in the dual capacity of agent and undisclosed principal in any transaction	1
La. R.S. 37:1455(A)(21) Failure to provide agency disclosure	1
LAC 46:LXVII.907(A) Failure to complete required 12 hours of continuing education	673
LAC 46:LXVII.907(B) Failure to complete required 45 post-license hours within 180 days	420
LAC 46:LXVII.2501(F) Failure to identify listing broker in advertisement	3
LAC 46:LXVII.2503(A) Failure to written authorization from all property owners prior to advertising the property for sale or lease	1
LAC 46:LXVII.2505(A) Using misleading or inaccurate advertising	2
LAC 46:LXVII.2509 (A) Advertisements by franchise organizations	1
LAC 46:LXVII.2515 Internet Advertising	3
LAC 46:LXVII.2717(A) Failure to deposit clients funds in appropriate account	1
LAC 46:LXVII.3101(A) Failure to report change of address or telephone number	1
LAC 46:LXVII.3501(A) Failure to disclose status as a licensee when acting as a principal in a real estate transaction	1
LAC 46:LXVII.3601(A) Failure to provide property disclosure	1
LAC 46:LXVII.3703 (A) Failure to provide agency disclosure	1
LAC 46:LXVII.3901(A) Failure to timely presentation of offers or counteroffers	15

Is Your Email Address Up to Date?

Pursuant to law, the LREC may send you notices or other communications via email only. Please make sure that you have an email address on file with the LREC that you check regularly to ensure that you receive important updates regarding your license and education.

You can easily check or update the email address you have on file in your MyLREC Portal. Here's how to do it:

- Visit your [MyLREC Portal](https://portal.lrec.gov/Home/Login) at <https://portal.lrec.gov/Home/Login>
- Once logged in, click "View" next to the license you want to check
- On the sidebar, choose "Update Contact Information"
- Click "Email Address"
- Edit, Add, Delete addresses on this menu

Please note that the email you mark as "Primary Email" will be used for important updates and alerts.

Welcome to the LREC Staff

Brennan Johnson joined the Accounting Division as an Accountant I in December 2020.

Johnson graduated from the University of Louisiana at Lafayette with an Accountant Degree in May 2020. He is responsible for processing payroll, accounts payable, NSF, contracts, purchases, etc.

He is a quick learner, detail-oriented, intelligent, and knows how to follow through with a positive attitude. He brings new energy and ideas to the Accounting Division and is a great addition to our agency.



“We are very excited to have Brennan join our division,” said Fiscal Officer, Jenny Yu. “He brings a new energy and perspective to our staff and is a very welcome addition.”



Hope Scrantz joined the Licensing Division as an Administrative Coordinator in February 2021.

Scrantz is a native of Greenwell Springs, LA and comes to the LREC from the Office of Motor Vehicles where she served as a Motor Vehicle Compliance Analyst II in the Compulsory Insurance Unit.

In addition to assisting the Licensing Division staff, Scrantz's primary responsibility includes creating digital versions of all licensee paperwork and files received by the LREC.

Scrantz has proven herself to be a diligent worker with a desire to learn agency procedures and help the Licensing Division be as successful as possible.

“Hope has been a wonderful addition to the LREC team,” said Licensing Division Manager Sunny Miles. “She has streamlined our paperwork filing system and improved our efficiency. We look forward to Hope growing in her role to take on more responsibilities and help us serve the public and our stakeholders.”

Tech Tip

GOT VPN?

In today's world of remote practices, online security has become a growing concern. More prevalent now than ever for data sharing as we sort out ways to connect with one another remotely for meetings, projects, work, school, social, etc. Did you know you can protect your home or business data and network from hackers with three simple letters?

VPN stands for Virtual Private Network and is used to secure your internet connection while protecting your data files from being compromised. A VPN client is very easy to install and can be setup with minutes on any Windows or Mac PC or mobile device. With a simple click of a button, a VPN client encrypts your network connection by creating a secure path from your device to the internet preventing public hackers from intruding on your privacy and accessing your data.

A VPN client can be purchased online like any antivirus software but at a far cheaper cost. When choosing VPN protection, do your research as not all VPN clients are created equally. Watch out for the fakes!



Follow us for updates

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Secretary

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