



# BOUNDARY LINES

First Quarter 2022 Volume 54, No. 1

## Chairman's Corner



I am honored to have been selected by my fellow Commissioners as your Chairman of the Real Estate Commission for 2022. I would like to extend my thanks to Lacy Baaheth for her excellent leadership as Chairman in 2021.

I would also like to extend my thanks to Executive Director Bruce Unangst for his 12 years of service to the LREC. Bruce has been integral to many positive changes that have benefited licensees, stakeholders, and the general public during his time with the agency. While Bruce will be greatly missed, we are excited to announce that long-time LREC staff member Summer Mire has been promoted from her position as Deputy Director and will take over the Executive Director role upon Bruce's retirement. Summer's vast experience and 16+ years with the agency will undoubtedly lead to a smooth transition.

Most of you are aware of the upcoming changes to the LREC license renewal period. The LREC has sent out emails and letters with more details of how the renewal season will be structured going forward. More details on the dates and requirements can be found on the [LREC Renewal FAQ page](#).

The Commission decided to make this change to protect licensees and the public in real estate transactions by ensuring that there is no lapse in Errors & Omissions (E&O) insurance coverage. Under the previous renewal season schedule, licensees who renewed after December 31 had a lapse in their E&O coverage, which left them vulnerable to having their claims denied for past issues. The Commission also wanted to ensure that members of the public could feel confident that the licensee representing them in a purchase or sale is fully licensed and insured.

Your Commission is aware that these changes might be confusing and we want to assure you that staff has been directed to reach out several times throughout the year with reminders to help you stay on track. You can also reach staff with any questions at [info@lrec.gov](mailto:info@lrec.gov).

Once again, I appreciate the opportunity to serve as your LREC Chairman and look forward to working with my fellow Commissioners, staff, and you throughout the year.

Sincerely,

**Matthew Ritchie, Chairman**

# LREC/LREAB Executive Director Retires - Replacement Named

After serving as Executive Director of the Louisiana Real Estate Commission and Louisiana Real Estate Appraisers Board for 12 years, Bruce Unangst has announced his retirement.

With a diverse background in consulting, real estate, banking and politics, Mr. Unangst brought a unique and diverse skill set to his dual position. During his time with LREC/LREAB he focused on upgrading the real estate and appraiser professions through enhanced educational programs for licensees coupled with accountability through consistent regulatory enforcement. Both the LREC and the LREAB earned plaudits for fiscal management during Mr. Unangst's tenure.

Mr. Unangst plans to spend his retirement golfing and spending time with his wife, Shirley, their three children, and their 10 grandchildren.



Following Mr. Unangst's retirement announcement, the Commission voted, unanimously, to name Summer Mire as the new Executive Director of the LREC/LREAB.

Ms. Mire has served the agency for over 16 years. She joined the agency as a Compliance Investigator and has served in various roles in her time with the LREC/LREAB with the most recent being Deputy Director.

Prior to joining the LREC/LREAB staff, Ms. Mire worked as a real estate appraiser in Louisiana for two years.

Ms. Mire is a native of Lake Charles, LA and a graduate of Louisiana State University. She lives in Central with her husband, Jared, and their two children, Maddie and Reid.

## Commissioner Installed as Louisiana REALTORS® President

Commissioner Eloise Gauthier was installed as the President-Elect of Louisiana REALTORS® (LR) in October of 2021. Gauthier will lead LR as President in 2022.

Gauthier is the Broker/Owner of Gauthier Real Estate, Inc., a full-service company selling residential and commercial real estate, located in Lafayette. She has been active in both the REALTOR® Association of Acadiana (RAA) and Louisiana REALTORS® during her 30+ year career.

Gauthier's passion for continuing education has served both the LREC and LR. She currently serves as the Education/Research/Publication Committee chairman for the LREC. She teaches continuing education and professional standards classes for RAA and LR.



*Gauthier and Louisiana REALTORS CEO Norman Morris celebrate during her installation event.*

# Licensing



## Important Changes to License Renewal Period

The Louisiana Real Estate Commission has announced changes to renewal period deadlines. The renewal period for 2023 will begin August 1, 2022. For more information, visit [lrec.gov/renewal-faqs/](https://lrec.gov/renewal-faqs/).

### New Deadlines:

- On-Time Renewals:  
August 1 – September 30
- First Delinquent Period:  
October 1 – November 15  
*subject to \$50 delinquent fee*
- Second Delinquent Period:  
November 16 – December 31  
*subject to \$200 delinquent fee*

When you complete your renewal during the upcoming renewal period, you are renewing for January 1, 2023 – December 31, 2023.

### Continuing Education Requirement:

The continuing education (CE) requirement of 12 hours for license renewal remains in place and must be completed by December 31, 2022.

**You may renew your license prior to completing your education.**

Failure to complete CE by the December 31 deadline will be considered a violation of LREC law and rules and you will be subject to a fine.

### Have Questions?

Visit [lrec.gov/renewal-faqs](https://lrec.gov/renewal-faqs) or email [info@lrec.gov](mailto:info@lrec.gov)

# 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.**

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. This screen can be found under the "Supervised Licensees" tab in the broker or broker company's MyLREC Portal.

## Referrals-Only Agents Must Maintain Active License Status

Licensees who choose to only work with referrals are considered active licensees and are required by law to hold an active real estate license.

These agents must complete all of the same requirements as any other active licensee, including completing the annual 12-hour continuing education requirement, carrying Errors & Omissions insurance, and renewing their license annually.

## Digital Transfer and Termination Process Available in MyLREC Portal

The LREC added a digital termination and transfer of supervision process to licensees' [MyLREC Portals](#) to help licensees and supervising brokers avoid paper processing delays when terminating/transferring current supervision relationships.

For more information on how to complete these processes, please review the [Online Termination and Transfer of Broker Supervision User Guide](#).

# Education Corner



## 2022 Mandatory Course Topics and Requirements

As part of the annual 12-hour continuing education requirement, all active licensees (sales and broker) are required to complete a four-hour course mandated by the Commission. For 2022, there are two options for satisfying this requirement. Licensees can complete the mandatory course titled **2022 Mandatory Course Topic: 36 Ways to Lose Your License** or the commercial mandatory alternative course titled **Valuation: What Commercial Clients Need Their Agents to Know**

There is no broker-specific mandatory course requirement for 2022.

Your chosen 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 one of the 2022 mandatory course topics listed above. All active licensees must take one of the above-listed mandatory courses 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](mailto:education@lrec.gov).

## Is Your Mailing Address Up to Date?

Chapter 31 of the LREC Rules and Regulations specifies that: "The commission shall be notified in writing within 10 days of any change in the mailing address, physical address, and/or telephone number of a licensee's, certificate holder's, or registrant's business or residence."

It is important that you make sure your mailing address is current with LREC. We use this address to send out important notices and updates. Failure to comply with the requirement above is a violation of the LREC rules and will result in a fine.

Updating your address is easy! You can log in to your MyLREC Portal and choose "Update Contact Information" from the sidebar. You will be given a list of options that you can update.

You can also update your address by completing the [Change of Address form](#).

UPDATE CONTACT INFORMATION

VIEW/EDIT ADDRESSES

WEB SITE URL

PHONE NUMBER

EMAIL ADDRESS

RESET PORTAL PASSWORD

UPDATE SECURITY QUESTIONS

MANAGE USERS

# Compliance Desk

The Regulatory Compliance Division issued 466 citations from November 25, 2021 through March 25, 2022. The list below outlines the specific violations cited:

<b>RULE</b>	<b>VIOLATION</b>	<b>No.</b>
La. R.S.37:1442(A)	Conducting real estate activity after the expiration of the license	1
La.R.S.37:1455(A)(33)	Failure to provide property disclosure form	1
LAC 46:LXVII.907(B)	Failure to complete required 45 P/L hours within 180 days of initial license date	451
LAC46:LXVII.2501(B)	Broker Failure to supervise and/or approve advertising of their sponsored licensee	1
LAC46:LXVII.2501(F)	Failure to identify listing broker in advertisement	1
LAC 46:LXVII.2505 (A)	Using misleading or inaccurate advertising	1
LAC 46:LXVII.2515	Improper Internet Advertising	4
LAC46:LXVII.3905(A)	Failure to annotate written offer	1
LAC 46:LXVII.705 (B)	Check returned for insufficient funds	5

## Adjudication Report:

A Salesperson operating in Mandeville, Louisiana license was suspended for 30 days and fined in the amount of \$3,000.00 for committing an act in violation of the Louisiana Real Estate License Law La. R.S.37:1455(A)(1); violating a rule or regulation of the Commission La. R.S.37:1455(A)(2); knowingly making false representations to a party in a real estate transaction La. R.S.37: 1455(A)(15); and engaging in an effort with the intent to deceive or defraud La. R.S.37:1455(A)(36).

## 2022 Legislative Update

The 2022 Regular Session of the Louisiana Legislature is a busy one for the real estate industry. Below is a brief summary of bills that affect the industry. If you would like to follow these bills in depth, you may utilize the [Legislature's Bill Search tool](#).

**SB 180** - Restricts who can participate in a real estate commission for Louisiana real estate

**SB 222** - Provides relative to the Louisiana Appraisal Management Company Licensing and Regulation Act

**SB 241** - Provides for alternatives in lieu of payment under protest for certain ad valorem taxes

**SB 367** - Provides relative to the Louisiana Real Estate Appraisers Board

**HB 488** - Provides relative to the definition of "real estate activity" according to the Louisiana Real Estate License Law

**HB 586** - Provides limited authority to the Louisiana Real Estate Commission to access certain criminal history record information of licensees and applicants



## GOING INACTIVE? RETIRING?

### IMPORTANT REASONS TO CONSIDER AN EXTENDED REPORTING PERIOD

Rice Insurance Services Center (RISC), a division of AssuredPartners, NL, LLC, administers real estate licensee errors and omissions (E&O) insurance policies issued by Continental Casualty Company in the vast majority of states that require licensees to maintain such coverage. While the policies vary from state to state, it is uniformly important to maintain continuous coverage and to have coverage in place when a claim is made, which may be years after the transaction occurred.

As discussed further below, for there to be coverage for a claim, the policy or an extended reporting period (ERP, often called “tail coverage”) must be in effect when the claim is made, even if you had insurance in place when the subject professional services were performed. If you do not renew your RISC policy for any reason, including inactivating or retiring your license, you may want to consider purchasing an ERP endorsement, because claims often arise years after a transaction occurred. RISC offers ERP endorsements of one, two, and three years (may vary by state). These endorsements extend the policy’s reporting date, so the policy applies to claims first made during the ERP.

RISC’s policies, like most E&O policies, are claims-made-and-reported policies. Under a claims-made-and-reported policy, four dates impact whether or not the policy will apply to or provide any coverage for a claim:

1. The date the claim is first made against the insured. Coverage is considered under the policy or ERP in effect when the claim is first made against the insured. If no policy or ERP was in effect when the claim arose, then there is no applicable policy to potentially provide coverage for the claim.

*Example: Laura Licensee reports a claim to RISC in writing. The claim was first made against Laura on February 1, 2022 when she received an email from a seller she represented in 2020. The email alleged Laura acted negligently in representing the seller and demanded damages from Laura. If Laura had a policy or ERP in effect on February 1, 2022, then coverage would be reviewed under that insurance. If Laura did not have a policy or ERP in effect on February 1, 2022, then no policy would be available to potentially provide coverage for the claim, even if Laura had insurance when she provided the professional services in 2020.*

2. The policy’s retroactive date. Under RISC’s policies, the retroactive date is established separately for each insured licensee. This is the date from which the licensee has continuously maintained uninterrupted E&O coverage. Any gap in coverage (break between the end of one policy period and the beginning of the next) terminates the previously-established retroactive date. The new retroactive date will be the date the licensee reestablishes coverage.

*Example: Laura first obtained her real estate license on June 15, 2010, at which time she purchased real estate E&O insurance. She timely renewed her insurance every year and never had a gap between policy periods. In that case, Laura’s retroactive date would be June 15, 2010. On the other hand, if Laura forgot to renew her insurance for January 1, 2022 and did not purchase coverage until March 1, 2022, then her retroactive date would be March 1, 2022.*

3. The date of the professional services giving rise to the claim. The professional services giving rise to the claim must have occurred after the retroactive date for the policy to apply.

*Example: The claim against Laura involves professional services she provided in 2022. Laura's retroactive date must be before the date of the professional services for Laura's insurance to apply.*

4. The date the insured reports the claim to the insurance company in writing. The insured must report the claim in writing during the same policy period in which the claim first arose for the policy to apply. Insureds should immediately report any claim they receive to their insurance carrier in writing.

*Example: As noted above, if Laura had a policy or ERP in effect on February 1, 2022 (when the claim was first made), then coverage would be considered under that policy. For that policy or ERP to apply to the claim, it must be reported to RISC in writing before that policy or ERP expires.*

For a claim to be covered, the insured must have a policy or ERP in effect on the date the claim is first made, have had a policy in effect on the date of the professional services, and have continuously maintained insurance during that time. Further, the claim must be timely reported to the insurance company.

For purposes of the following examples, assume the claim would otherwise be covered under the policy:

**Changing Careers.** From March 12, 2002 to December 31, 2021, Ms. Salesperson worked in real estate and maintained continuous E&O coverage through RISC during that time. Her last E&O policy was a 2021 policy with effective dates of January 1, 2021 to January 1, 2022. For several years, Ms. Salesperson made extra money selling pottery at art fairs. By 2022, Ms. Salesperson's pottery was so popular she decided to do that full time, so she did not renew her real estate license in 2022.

A. Ms. Salesperson was so busy with her pottery that she did not consider her E&O coverage. Her last E&O policy expired January 1, 2022. On April 1, 2022, Ms. Salesperson was served with a lawsuit filed by a seller she worked with in 2020. Ms. Salesperson submitted the lawsuit to RISC and asked that a lawyer be hired to represent her. Ms. Salesperson was disappointed to learn there is no coverage for the claim, because it arose after her policy's expiration date of January 1, 2022.

B. Instead of not considering her E&O coverage as in the previous example, Ms. Salesperson purchased a three-year ERP endorsement within ninety days after the expiration of her 2021 policy. The ERP endorsement extends the reporting period of her 2021 policy by three years to January 1, 2025. When Ms. Salesperson was served with the lawsuit on April 1, 2022, she timely submitted it to RISC. The claim was covered under Ms. Salesperson's 2021 policy, because it arose within the ERP.

**Retirement.** Mr. Broker worked in real estate from January 1, 1998 to December 31, 2021, during which time he maintained continuous E&O coverage through several carriers. Mr. Broker's last policy was a 2021 RISC policy with effective dates of January 1, 2021 to January 1, 2022. Mr. Broker retired on December 31, 2021 and deactivated his license.

A. Mr. Broker thought there was no reason to worry about E&O coverage, since he retired from real estate. On June 1, 2022, Mr. Broker was served with a lawsuit filed by a client he worked with in November 2021. Mr. Broker submitted the lawsuit to RISC. Unfortunately, there was no coverage for this claim, because Mr. Broker's policy expired on January 1, 2022, before the claim arose.

B. Instead of not worrying about E&O as in the previous example, Mr. Broker purchased a three-year ERP endorsement within ninety days of the expiration of his 2021 policy. This endorsement extends the reporting period of Mr. Broker's 2021 policy to January 1, 2025, an additional three years after the policy's expiration date. Mr. Broker is then served with the lawsuit on June 1, 2022 and timely reports it to RISC. Because the claim arose within the ERP, it is covered under Mr. Broker's 2021 RISC policy.

**Protect Your Heirs.** Mr. Licensee worked in real estate from January 1, 1990 to December 1, 2021, during which time he maintained continuous E&O coverage through several carriers. Mr. Licensee's last policy was a 2021 RISC policy with effective dates of January 1, 2021 to January 1, 2022. Mr. Licensee retired due to illness on December 1, 2021 and deactivated his license. Mr. Licensee passed away on February 1, 2022.

A. Mr. Licensee thought there was no reason to worry about E&O coverage for him or his heirs, since he retired from real estate. On May 1, 2022, after Mr. Licensee passed away, his estate was served with a lawsuit filed by a client he worked with in November 2020. Mr. Licensee's estate submitted the lawsuit to RISC. Unfortunately, there was no coverage, because Mr. Broker's policy expired on January 1, 2022, before the claim arose.

B. Instead of not worrying about E&O as in the previous example, Mr. Licensee purchased a three-year ERP endorsement for his 2021 policy after he retired. This endorsement extends the reporting period of Mr. Licensee's 2021 policy to January 1, 2025, an additional three years after the policy's expiration date. Mr. Licensee's estate is then served with the lawsuit on May 1, 2022 and timely reports it to RISC. The policy's definition of insured includes "the heirs, executors, administrators or assigns of the Licensee in the event of the Licensee's death, incapacity, or bankruptcy but only to the extent that such Licensee would have been provided coverage under this policy." Since the ERP was in place when the claim arose, Mr. Licensee's 2021 policy provided coverage for his heirs.

Many E&O claims do not arise until years after the subject transaction. Accordingly, if you are inactivating your license for any reason, including retirement, you may be interested in purchasing an ERP endorsement. Your insurance coverage is important. Please take the time to read and understand your policy's coverage provisions, conditions, and exclusions. To obtain sample copies of RISC's policies, visit [www.risceo.com](http://www.risceo.com) or call RISC at (800) 637-7319, extension 1.

*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.*

## Tech Tip

With the continuing education audit approaching, remember that you can check your education transcript in your MyLREC Portal.

After logging in to your Portal, select “View Education Record” from the sidebar menu. You should verify that your transcript reflects all course completion certificates you received from completing approved CE courses.

If you determine that your transcript is missing CE credits you should contact the education vendor(s) for each unreported or missing course to request that proof of your completion of the course be submitted by the vendor(s) to the LREC.

Please do not submit your personal course completion certificates to the LREC unless expressly requested by Commission staff.



*Follow us for updates*

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