

BOUNDARY LINES

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RENEWALS AVOID RECESSION HURDLE



market, and the sagging economy has both consumers and licensees questioning their economic future. The situation is considered grim by many; however, if the 2009 license renewal season is an indicator of any kind, the proverbial tunnel might contain a glimmer of light. At least that can be said about the impact of the current economic climate on the Louisiana real estate licensing program. Commission renewal statistics indicate that the majority of licensees elected to remain in the real estate industry, with over 91 percent renewing their licenses for 2009. That is more than 21,000 people! This is a positive sign in an otherwise questionable market. The Commission is encouraged by those of you who decided to persevere and stay in the real estate profession. We applaud you and want you to know that we are in this with you!

It's no secret in the world of real estate that consumers have been shaken by news of a declining national real estate

market, and the sagging economy has both consumers and licensees questioning their economic future. The situation is considered grim by many; however, if the 2009 license renewal season is an indicator of any kind, the proverbial tunnel might contain a glimmer of light. At least that can be said about the impact of the current economic climate on the Louisiana real estate licensing program. Commission renewal statistics indicate that the majority of licensees elected to remain in the real estate industry, with over 91 percent renewing their licenses for 2009. That is more than 21,000 people! This is a positive sign in an otherwise questionable market. The Commission is encouraged by those of you who decided to persevere and stay in the real estate profession. We applaud you and want you to know that we are in this with you!

INQUIRIES MADE ABOUT R&E FEES

The Commission has received inquiries questioning the propriety of collecting the annual ten dollar Research and Education Fund fee, now that the Commission no longer offers continuing education courses. Some licensees are under the mistaken impression that the purpose of the fee is to fund what is now the Commission's defunct continuing education seminar program.

LA R.S. 37:1464.C specifically defines the purpose of the Research and Education Fund, which is to "establish real estate chairs at Louisiana institutions of higher learning, to contract for particular research projects in the field of real estate in the state of Louisiana, and to sponsor, conduct, contract for, and to underwrite any and all other research projects or real estate programs having to do with the advancement of the real estate field in Louisiana." Through contributions made from the Research and Education Fund, the Commission has supported grants, endowed



CONTINUING ED: *TWELVE IS THE NEW EIGHT*

As we enter mid-year, licensees are reminded that the annual continuing education requirement has increased to twelve hours. Four of the twelve hours must be in the 2009 mandatory topic *Residential Agreement to Buy or Sell*. Remember that these hours must be completed *prior* to submission of your 2010 license renewal application.

Considerable changes were made to the standardized purchase agreement at the beginning of the year. Completion of the mandatory topic will provide licensees with detailed information about the changes and why it was necessary to make them.

Some people view their obligation to complete continuing education as a burden. They don't realize that the real burden is created by taking a class in which they have no interest just for the sake of acquiring hours.

The mission of the Louisiana Real Estate Commission is to serve and protect the public interest in real estate transactions and other real estate related activities. Continuing education is one of the tools used to carry out that mission.

Continuing education ensures that licensees have formal opportunities to upgrade and update their professional knowledge and skills. While pre-licensing education provides introductory knowledge and basic skills, it is continuing education that advances careers. This is especially true considering the advance-

ments in technology and business practices that demand more sophisticated and educated industry members.

Continuing education serves as a viable means of improving your professional competence. It adds value to the real estate services you provide and increases your earning potential. It is vital to career progression and professional excellence.



“Remember that these hours must be completed *prior* to submission of your 2010 license renewal application.”

Bobby Jindal
Governor

Cynthia Stafford, Chairman
Gonzales

Judy Songy, Vice-Chairman
LaPlace

Mike Bono, Secretary
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INQUIRIES MADE ABOUT R&E FEES

(Continued from page 1)

professorships and chairs, and faculty development funds at universities throughout the state, including Louisiana State University, University of New Orleans, University of Louisiana at Lafayette, McNeese State University, Louisiana Tech University, and the University of Louisiana at Monroe. These contributions enable the universities to attract and retain top scholars, and they are critical to bringing excellence to the classroom and research programs, in real estate and allied disciplines.

It is through education and research that

current issues and future concerns in real estate are identified and analyzed. The university programs, funded by contributions from the Research and Education Fund, serve as a resource to government, business, and industry members, by providing for the professional and practical assessment of Louisiana real estate matters. Promoting the advancement and more efficient administration of the real estate industry, through disbursement of Research and Education Fund monies, is one way in which the Commission works to protect you, the licensee, and the public that we serve.

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DISCIPLINARY ACTION

Formal Adjudicatory Hearings

At a formal hearing held November 17, 2008, the Louisiana Certified Residential Real Estate Appraiser license issued to **Howard R. McZeal**, Lafayette, was suspended for 90 days (December 1, 2008 thru February 28, 2009) for having been convicted of a felony charge in the U.S. District Court, Western District of Louisiana, which is a violation of LSA-R.S. 37:3409.A(7). In addition to the suspension, the licensee was ordered to pay a fine of \$1,000.00 and the \$1,037.75 cost of the adjudicatory proceeding and to complete 15 hours of continuing education in the Uniform Standards of Professional Appraisal Practice and Residential Sales Comparison and Income Approach.

At a formal hearing held December 18, 2008, the Louisiana Real Estate Salesperson license issued to **Latisha Jones Ware**, Waggaman, was revoked effective December 29, 2008 for a violation of LSA-R.S. 37:1455.A(32), whereby she failed to comply with an order approved by the Commission pursuant to informal adjudicatory proceedings.

Informal Adjudicatory Hearings

Michael Fred Barnett, a Denham Springs broker, was censured for violations of Sections 3501.A and 2511.A of the Commission Rules and Regulations, whereby he failed to disclose his status as a licensee in writing to all other principals in a real estate transaction and failed to state that he was a licensed real estate agent when advertising his own property for sale. In addition to the censure, the licensee was ordered to pay a fine of \$300.00 and the \$75.00 cost of the adjudicatory proceedings. Consent Order approved November 20, 2008.

The real estate salesperson license issued to **Beverly B. Durand**, Slidell, was revoked for accepting compensation from a person other than her sponsoring broker for managing real estate for others (LSA-R.S. 37:1446.F); failing to place funds received in a real estate transaction into the custody of her licensed broker (LSA-R.S. 37:1455.A(17)); and failing to return money which came into her possession belonging to another person, in violation of LSA-R.S. 37:1455.A(5). Consent Order approved December 18, 2008.

Shantell Lejuane Narcisse, a broker from LaPlace, was censured, ordered to pay a fine of \$500.00 and the \$75.00 cost of the adjudicatory proceeding for conducting real estate activity authorized by her 2007 real estate license after the expiration of the license and before the license was delinquently renewed for 2008 (LSA-R.S. 37:1442.A and 1455.A(1), and filing a document with the Commission that was false and contained a material misrepresentation of fact, in violation of LSA-R.S. 37:1454 and 1455.A(1). Consent Order approved November 20, 2008.

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UNLICENSED ASSISTANTS

The LREC receives frequent inquiries regarding the activities of unlicensed assistants. The following information is provided as a reminder, and it based on the most frequently asked questions. It is not all inclusive, and it is not intended to replace the advice of competent legal counsel.

It is recommended that licensees and their assistants review the Louisiana Real Estate License Law for additional information. See R.S. 37:1432 for a description of activities that require a real estate license.

Unlicensed Assistants Can:

1. Answer the phone and forward calls to licensees
2. Submit listings and changes to a multiple listing service
3. Follow up on loan commitments after a contract has been negotiated
4. Place signs on listed property
5. Order items of routine repair as directed by licensee
6. Prepare flyers and promotional information for approval by licensee and supervising broker
7. Type contract forms as directed by licensee and supervising broker
8. Act as courier service to deliver documents, pick up keys, etc.
9. Schedule appointments for licensee to show listed property
10. Secure public information documents from courthouse, sewer district, water district, etc.
11. Have keys made fro company listings
12. Write ads as directed by licensee and supervising broker and place advertising (promotional

Unlicensed Assistants Cannot:

1. Host an open house
2. Prepare promotional material or ads without the review and approval of licensee and supervising broker
3. Show property listed for sale
4. Answer any questions on the listing
5. Discuss or explain a listing, contract, or other real estate document, with anyone outside the firm
6. Be paid on the basis of real estate activity, such as a percentage of commission, or any amount based on listings, sales, etc.
7. Negotiate or agree to any commission, commission split, management fee or referral fee on behalf of a licensee.

“See R.S. 37:1432 for a description of activities that require a real estate license.”





It's QUESTION TIME !!

RESIDENTIAL AGREEMENT TO BUY OR SELL DID YOU KNOW?

- The standardized purchase agreement is an amendable instrument.
- A buyer and seller can agree to change any part of the agreement
- The private water/sewerage language (lines 152-158) is a negotiable item, as is any other clause contained in the standardized purchase agreement.
- The seller can elect not to do any item in the agreement.

“The Commission does not maintain a catalog of forms for use by real estate professionals in the daily performance of their jobs.”

FORMS “R NOT” US

The Commission receives frequent requests from licensees in search of forms that are commonly used in real estate transactions. Among those most frequently requested are listing agreements, lease and rental forms, commercial real estate contracts, vacant land contracts, and addendum forms.

The Commission does not maintain a catalog of forms for use by real estate professionals in the daily performance of their jobs. Other than the forms that are prescribed by law for mandatory use, it is the responsibility of the sponsoring or qualifying broker to develop, design, or otherwise procure any other forms, documents, or paperwork that will be used by his or her sponsored agents for conducting real estate license activities.

The license law mandates the use of the following documents, which were promulgated

by the Commission and available to users online at www.lrec.state.la.us:

- *Residential Agreement to Buy or Sell*
- *Residential Property Disclosure Form*
- *Agency Disclosure Informational Pamphlet (or the alternate Agency Disclosure Form)*
- *Disclosure and Consent to Dual Agency.*



DISCIPLINARY ACTION

(Continued from page 3)

The real estate salesperson license issued to **Patricia Ann Roberson** was revoked for filing a document with the Commission that contained a material misrepresentation of fact and procuring a real estate license for herself through fraud and misrepresentation, in violation of LSA-R.S. 37:1454 and 1455.A(1) and (3). Consent Order approved November 20, 2008.

Phillip B. Scroggs, a salesperson from Zachary, was censured, ordered to pay a fine of \$300.00 and the \$75.00 cost of the adjudicatory proceeding for failing to disclose his status as a licensee in writing to all other principals in a real estate transaction, in violation of Section 3501.A of the Rules and Regulations of the Commission and LSA-R.S. 37:1455.A(2). Consent Order approved November 20, 2008.

IMPORTANT AUDIT NOTICE

The Commission will conduct an audit of the 2008 post-license and continuing education records submitted by licensees and approved education providers. Any licensee who failed to complete the hours required for license renewal prior to December 31, 2008, but who signed their 2009 renewal application attesting that the hours had been completed, will face an investigation and possible disciplinary action. If there is any question about the timeframe in which you completed your education hours, be prepared to provide proof that they were completed prior to submission of your signed license renewal.



“Failure to complete the required post-license and continuing education hours may result in the censure, suspension, or revocation of your license and the assessment of fines and penalties.”



Mark your calendar!

As previously announced, beginning January 1, 2009, all initial licensees must complete 45 hours of post-license education within 180 days of their initial license date. If your license was issued in the first quarter of 2009, the deadline is rapidly approaching. Don't delay! There is no delinquent period allowed in which to complete these hours. Remember, too, that in addition to post-license education, initial licensees must also complete the 4-hour mandatory topic, *Residential Agreement to Buy or Sell*, by December 31, 2009.

Licensees, who have not completed the post-license education requirement, or the mandatory topic course, may view a list of approved schools and vendors online at www.lrec.state.la.us. Contact the education provider of your choice to obtain course sched-

ules and related information.

Licensee education records are based on information received from education providers. You may view your record via the online Licensee Search. It is not necessary to contact the LREC if your record does not reflect the courses that you have completed; however, it is absolutely necessary that you maintain all transcripts or course completion certificates, in the event of an audit. Contact the education provider from whom the hours were obtained to request duplicate copies of a transcript or certificate.

Failure to complete the required post-license and continuing education hours may result in the censure, suspension, or revocation of your license and the assessment of fines and penalties.

Remember... it's the law!

LOUISIANA REAL ESTATE COMMISSION QUARTERLY REPORT

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