

BOUNDARY LINES

A Louisiana Real Estate Commission Monthly Newsletter

EMAIL CHANGE:
Departmentalized Emails now cater
to your inquiries

Update:
A second update after implementa-
tion of new Cite & Fine system

Late Renewals:
What licensees can't do until they
renew.

CHAIRMAN'S CORNER

Commissioner Tim Flavin of Lake Charles will be wielding the Chairman's gavel for LREC beginning at our first regular meeting of 2012 on January 18th. Serving as Vice Chairman this past year, Commissioner Flavin demonstrated the kind of common sense leadership appreciated by his fellow Commissioners, licensees and the public we serve. I look forward to fully supporting Chairman Flavin as we move toward making LREC the best it can be in 2012.

This past year has been both challenging and productive for LREC as we have been met with obstacles and opportunities that have helped us grow as an agency. We welcomed a new Executive Director on board, and together focused on making solid progress in a number of key areas:

- Our objective in upgrading the quality and delivery of continuing education is well underway. Under the leadership of our Education Chairman, Commissioner Pat Caffery, we solicited input from all stakeholders across Louisiana in the development and adoption of new course approval guidelines. We are now working on improving instructor certification to make certain licensees not only have relevant and timely course content, but that instructors are qualified to communicate the course content.
- In the area of technology, we upgraded both servers and software in 2011, to provide the necessary infrastructure to support our goal of complete online convenience for all stakeholders.
- New advertising guidelines were promulgated and posted on our LREC website in 2011 to assist licensees with streamlined and simplified information on compliance with Commission rules.
- A streamlined enforcement process, known as *Cite & Fine*, was implemented starting October 21st to promote compliance.
- A focus on better communication with licensees, as well as the public, was established as a priority in 2011. Our Executive Director and his staff joined with Commissioners in attending Realtor meetings throughout Louisiana to let everyone know who we are and what we do. Our message remains constant that input from all is both encouraged and needed as LREC meets the challenges of our changing industry.
- Work has also commenced on a total upgrade of your LREC website to provide better content, to ensure a more user friendly site, and meet best practices as a communication tool.
- From an organizational standpoint, LREC tightened our collective belt by reducing staff and related personnel costs by over 13 percent while improving our ability to respond timely and accurately to questions and requests.
- A comprehensive review of LREC rules were promulgated and took effect October 21st. LREC rules will continue to be reviewed and amended as necessary to meet the challenges of our industry.

Happy New Year to all and many thanks for the opportunity to serve. It has been an honor.

Sincerely,

Frank A. Trapani



Chairman Trapani is an Associate Broker with Latter & Blum, Inc.

RESPA ALERT

Federal rules adopted pursuant to “RESPA” state that settlement providers, such as title companies, are prohibited from providing anything of economic value to those involved in a real estate transaction. As a consequence, the practice of settlement providers offering free continuing education for licensees has been called into question.

Louisiana Commissioner of Insurance, Jim Donelon, has now weighed in on this issue by issuing his own compliance bulletin stating that those firms licensed to sell title insurance in Louisiana are in violation of state insurance laws by engaging in the practice of providing free continuing education as part of their marketing strategy. Commissioner Donelon confirms that ongoing investigations may well result in serious disciplinary action against those firms found in violation.

Commissioner Donelon later expanded on the information in his bulleting by clarifying as follows:

“A title insurance producer who offers any type of consideration or compensation to any person or business entity that is not duly licensed as a title insurance producer by the LDI (Louisiana Department of Insurance) in exchange for title insurance referrals may be in violation of LSA-RS 22:1562. Providing the following types of consideration or compensation to any person or business entity are examples of actions that violate the law, to wit:”

- The offering, providing, or underwriting of a continuing education program in a manner that results in the defraying of any expenses that otherwise would have been incurred by a real estate company, agent or mortgage lender

The Commissioner then reaffirmed his position that all CE Credit hours do have value and thus Title Insurance Producers are prohibited from providing those CE Credits free of charge because each hour does have a value.

Mr. Warren Byrd, legal counsel for the Insurance Commission, has been contacted by LREC for clarification as to what that means to real estate licensees who obtain continuing education credit from firms adjudged to be illegally offering free education credit. Mr. Byrd confirmed that any licensed title insurance firm engaging in the practice of offering free continuing education to real estate licensees are in violation of the law. However, the practice of these same firms offering free continuing education to an association, such as a real estate board, is now under further review.

What happens to continuing education credit obtained by a licensee through a company later found to be in violation of law? Will those credits be null and void? These and other questions regarding the impact of RESPA and state statutes will be discussed at the LREC Legal/Legislative Committee meeting on January 18th.

Click [here](#) to view a copy of the Insurance Commission Bulletin. We’ll keep you posted on further developments!



Cite & Fine: Update

By: Robert Maynor

Over the past few months, the Investigation Division of the LREC has been reviewing both printed and internet advertising. As of January 1, 2012, the Investigation Division had issued 75 advertising citations.

The Numbers*:

75 Citations Sent

23 Payments Made

8 Citations Dismissed

43 Awaiting Reply

1 Cease & Desist Order Sent

Most Common Violations:

Failing to include a sponsoring broker's telephone number in an advertisement

Advertising under a nickname that is not registered with the Commission

Failing to include a legal last name in an advertisement

A franchisee failing to include "independently owned and operated" in an advertisement

Failing to include the city and state in which a broker's main office or branch office is located

Not using the broker's name or trade name as registered with the Commission

*As of January 4, 2012

The New Year is upon us, and so we hope the Louisiana real estate industry flourishes with growth and opportunity.

If you haven't renewed your license, however, you'll be missing out until you do. Don't forget that licensees who have not renewed their licenses as of December 31, 2011 will not be able to legally practice real estate starting January 1, 2012.

So, don't delay any longer. If you haven't renewed, go ahead and take a few minutes to renew today!

LATE
RENEWALS



Cite
&
Fine

Pay
Online

Five Easy Steps

1. Visit www.lrec.state.la.us
2. Scroll to the bottom of the homepage
3. Click on the blue “here” link attached to the sentence “Click here for quick and convenient online payment”
4. You will be prompted to enter your Citation Number, which can be found on the front of your citation, and your license number
5. Proceed to pay your fine

In addition to renewing your license online, we are proud to offer an easy method of payment for your citation fines. Paying online is quick, secure and easy. By simply entering your citation number, license number and credit or debit card information, you can pay your fine and return to the busy industry that is Louisiana real estate in minutes.

Why Pay Online?

Real Fast. Real Easy. Real Estate.

... DEPARTMENTALIZED EMAIL ...

We understand the relevance and often urgency of your email inquiries to the LREC. In the past, we provided a single email for all your questions, which sometimes made answering quickly and efficiently difficult. But we have recently developed departmentalized emails which allow you to direct your inquiry to someone in the department from which you have a question. Now, seven (7) categorized email addresses

give you a direct line to a specific department in the LREC office. We have also provided a contact to the Louisiana Real Estate Appraisers Board. The categories can be found under the Contact Us tab at the bottom of the LREC website. If you have a general question or do not know where to direct your question, you can still send your inquiry to info@lrec.state.la.us.

Appraisal:

info_appraisal@lrec.state.la.us

Billing:

info_billing@lrec.state.la.us

Education:

info_education@lrec.state.la.us

General Inquiries:

info@lrec.state.la.us

Information Technology:

info_it@lrec.state.la.us

Investigations:

info_investigations@lrec.state.la.us

Law and Rules:

info_lawandrules@lrec.state.la.us

Licensing:

info_licensing@lrec.state.la.us

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