

BOUNDARY LINES

A Louisiana Real Estate Commission Monthly Newsletter

IN EFFECT:
New Rules & Regulations Include
Changes to Advertising and Teams

MONEY MATTERS:
New Fee Schedule Explained

FROM THE INVESTIGATOR'S DESK:
Know What Could Keep You From
Renewing Your License!

CHAIRMAN'S CORNER

ERRORS & OMISSIONS INSURANCE – A LICENSEES BEST FRIEND

Recently, your Louisiana Real Estate Commission negotiated an extension of our Errors & Omissions insurance policy, now underwritten by CNA, with no increase in premiums for Louisiana licensees in 2012. State law requires all active real estate licensees to carry E & O insurance and you may choose any carrier you wish, providing they meet the minimum criteria set by law. LREC provides the convenience and opportunity for maintaining quality coverage at a reasonable cost in conjunction with your annual license renewal, which is due by December 31st.

For better or worse, we live in a highly litigious world. Hopefully, none of us will have to call upon our E & O insurance to defend or handle a claim against us, but odds are, some of you will call upon this safety net in the coming year. So that you are not in that unfortunate number, be aware that historically the number one category of claims filed against Louisiana licensees fall into the “Fraud” arena. Watch out for the following specific examples of fraud that constitute a disservice to the public and can put you in legal jeopardy!

- ✓ **Breach of Duty**
- ✓ **Breach of Contract**
- ✓ **Negligence**
- ✓ **Bodily Injury**
- ✓ **Misrepresenting the Condition of the Property**
- ✓ **Consumer Protection Act Violations**
- ✓ **Earnest/Escrow Money Deposits**
- ✓ **Misrepresentations Regarding Flooding & Leaks**
- ✓ **Misrepresenting the Square Footage or Value of the Property**

While the above represents only a partial list of potential legal “fires” to avoid in the practice of real estate, understand the above and your chances of being served with a lawsuit goes way down. Know the law, know the rules, adhere to high ethical standards, and when in doubt, seek your own legal advice. The best way to get out of trouble is to not get in trouble in the first place!

Sincerely,

Frank A. Trapani



EVERYTHING YOU WANTED TO KNOW ABOUT LREC FEES, BUT WERE AFRAID TO ASK!

Sixteen years ago, in 1995, the Louisiana Legislature set a fee schedule, for the Louisiana Real Estate Commission, which included license renewal fees for both Brokers and Salespersons statewide. The intent of the law was to provide for adequate funding for LREC, while at the same time protecting real estate licensees from exorbitant and/or unjustified annual increases. By all accounts, the law has served consumers, real estate practitioners, and the Real Estate Commission well. The Louisiana Real Estate Commission is totally self-funded and receives no state monies.

The Louisiana Real Estate Commission knows and understands that the cost of renewing your license is a critical part of your budget, which is why we have not had a renewal fee increase in 16 years. In 1995, the legislature established a base renewal fee for all licenses, certificates, and registrations, plus a \$25.00 process-

ing fee, for a total authorized annual renewal fee. For the last 16 years, the Real Estate Commission has not charged any of the processing fees authorized by the legislature. We regret that ever increasing costs now force us to begin charging processing fees.

Since 1995, expenses have increased for consumers and real estate practitioners alike. According to the Federal Consumer Price index, common items like gasoline is up 193%, bread up 91%, and ground chuck up 80%! The LREC expenses have also risen accordingly. Increasing costs of operation, combined with a 15% decrease in the number of licensees has forced us to add the renewal processing fee (see above).

The LREC staff stands ready to answer any questions and assist licensees in the upcoming renewal season. Don't forget to complete the required continuing education and renew by December 31st!

THE FOLLOWING IS AN EXAMPLE OF A SALESPERSON'S RENEWAL FEE DUE BY DECEMBER 31ST:

SALESPERSON'S ONLINE RENEWAL FEE WILL BE:

Renewal Processing Fee:	\$15.00
Annual Renewal Fee:	\$55.00
Total Renewal Fee:	\$70.00

SALESPERSON'S RENEWAL FEE BY MAIL OR IN PERSON WILL BE:

Paper Renewal Processing Fee:	\$10.00
Renewal Processing Fee:	\$15.00
Annual Renewal Fee:	\$55.00
Total Renewal Fee:	\$80.00

New Rules & Regulations are In Effect



New rules and regulations went into effect October 20, 2011. Some major changes involve advertising and fee schedules. The Commission has attempted to contact all licensees prior to the rule changes and the implementation of the Cite & Fine system, which also went into effect October 20th. The new rules and information on the Cite & Fine system are posted on our website at www.lrec.state.la.us.

From the Investigator's Desk

NOTICE TO LICENSEES WITH PENDING ENFORCEMENT ISSUES:

Over the past several months Commission staff has made numerous attempts to contact licensees with pending enforcement issues. Since these licensees have failed to cooperate with the Commission, they will not be permitted to renew their real estate license. The following groups of licensees will not be allowed to renew until such time as they have been cleared by the Investigation Division:

Licensees who issued payment to the Commission for any transaction in the form of a Non-Sufficient Funds (NSF) check.

Licensees who failed to satisfy a Commission approved Stipulations and Consent Order.

Licensees who failed to respond to certified notices regarding Post-Licensing and Continuing Education Audits.

NOTE: Once cleared by the Investigation Division these licensees will be allowed to renew for 2012; however, delinquent penalties will still be applied to any renewal received after December 31, 2011.

LICENSEES:

EDUCATE YOURSELF BEFORE RENEWING YOUR LICENSE

Annual continuing education requirements consist of twelve (12) hours of coursework. Licensees eligible for post-licensing education may count eight (8) hours of their post-licensing coursework to meet the annual continuing education hours requirement. However, they will still need to take the four (4) hour mandatory course for the year.

Licensees are required to complete continuing education hours prior to renewing their license.



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