



BOUNDARY LINES

A LOUISIANA REAL ESTATE COMMISSION MONTHLY NEWSLETTER

Chairman's corner



In our continuing efforts to find out what is important to you in terms of continuing education, tabulation of results from our recent online survey are in! Thanks to all who took the time to let us know your educational priorities.

The consensus of nearly 350 licensee responses confirmed that learning more about contracts, and specifically the mandated buy/sell agreement, was most important. Aside from just knowing how to "fill in the blanks," we learned that real estate professionals want to have a better understanding of what the legal language within the mandated agreement actually means to the seller, buyer and the agent.

Proper handling of addenda, offer submittals, agency and other related issues were

cont'd on Next Page



Education Update

EDUCATION AUDIT

AN UPDATE

The 2011 Continuing Education audit notices were sent out March 28, 2012 to approximately 2,300 licensees who appeared to lack the required twelve (12) hours of continuing education. By mid-May, the majority of responses had been received and processed by LREC education staff. By the end of May, a list of 880 was turned over to the Division of Investigation. Of the 880, 367 were non-responses and 513 were from responses for which the licensee was not cleared.

Letters from the Division of Investigation should go out by the end of June. For sales and associate brokers, a copy will be sent to the supervising broker. Letters will be mailed regular first class via the United State Postal Service.

If you have not received a letter to the mailing address on file with the LREC by mid-June, you can assume that you have been cleared from the 2011 Education Audit. Thanks to all who responded and did so in a timely manner. While the review of submitted records of almost 2,000 licensees was a very large task for the Education Division, we attribute our speedy and organized review to the exceptional cooperation of you, the licensee.

- Mark Gremillion

THIS ISSUE

Education
Audit

Investigator's
Desk

Chairman's
Corner

Boundary Lines
Survey



identified as sub-topics of your concern.

Your Louisiana Real Estate Commission has listened. At our regular May 2012 meeting, the mandated purchase and sale agreement, incorporating the related issues, was selected as the 2013 mandatory continuing education topic. Your Commission is now seeking input from all licensees as to any improvements or modifications to the mandated agreement that you feel beneficial. The Louisiana Realtors Association will be meeting in July to finalize their recommendations on how this agreement might be improved to better serve our shared goal of protecting the public interest.

All proposed changes will be considered by your Louisiana Real Estate Commission at our August 2012 meeting, and any approved modifications will be incorporated into the 2013 mandatory course offering. Please let our staff and your Commissioner know of any ideas you may have.

The ongoing assistance of you, our licensees, as well as input from your local Board of Realtors and State Association, is critical to our efforts to be responsive as we strive to better serve and protect the public interest in all real estate transactions.

- Tim Flavin



Investigator's Desk

PAYMENT OF COMMISSIONS AND REFERRAL FEES

EARNED BY FORMER SPONSORED LICENSEES

Compliance with LSA-R.S. 37: 1446 requires that a check for a commission earned by a formerly sponsored associate broker or salesperson be sent to the salesperson's new employing broker.

The commission check can be made payable to either the new broker, who would in turn cut a new check to the licensee, or the check can be made payable to the licensee, as long as the payment goes through the new broker.

The purpose of this requirement is to ensure that the associate broker or salesperson has acted within the scope of his or her license. It is part of the means by which brokers supervise and control the activities of their sponsored licensees, including payments for prior licensed activity.

If the licensee has transferred to inactive status or has allowed their license to lapse, it is permissible to directly pay a commission that was earned while the individual was actively licensed and sponsored by the broker.

- Marsha Stafford

Attention:

A licensee who pleads guilty to a felony or any crime involving moral turpitude must report this legal action to the Commission within ten (10) days by certified mail--even if the adjudication is deferred. Please see LSA-R.S. 37: 1450 for the precise language of the law.



ASSIGNING COMMISSIONS

TO YOUR UNLICENSED CORPORATION

Associate brokers and salespersons may not accept a commission or a referral fee from any person except their sponsoring or qualifying broker. A sponsored licensee may assign or direct that their commissions be paid by their licensed sponsoring broker to an unlicensed corporation of which the associate broker or salesperson is the sole officer, director, and shareholder, or an unlicensed limited liability company of the associate broker or salesperson is the sole manager. (LSA-R.S. 37: 1446. G.)

The law does not allow brokers to pay commissions earned by a team into an unlicensed corporation owned by licensed team members. The practice of a sponsoring or qualifying broker paying commissions earned by a team into one corporation and thus allowing the team members to distribute the funds to one another will result in disciplinary action against the broker and each team member.

- Marsha Stafford

May Citations

Citations issued for May of 2012:

The Investigation Division issued 26 advertising citations in the month of May. Eight licensees received citations for failing to disclose their affiliation with a franchise. These licensees could have avoided the citation by including the words "independently owned and operated" within their advertisements. Also, four licensees were cited for failing to include their sponsoring broker's name and telephone number within their advertisements.

For more information regarding advertising rules, please visit our website. There, you can also find a checklist which makes verifying your advertisements are in compliance quick and easy.

- Robert Maynor

Boundary Lines: a survey

Recently, the Administration Division at the LREC discussed the changes made to the “Boundary Lines” publication, and we think the new look is streamlined, contemporary and easy to navigate. But we want to know what you think! Please take a moment to give us your thoughts by taking our survey.

Here at the LREC, we strive to communicate with clarity, stay relevant and change in response to advancing technologies. However, we have no idea how effective our work is without the input from you, our audience. Click the survey link below to make the jump. As always, we’re listening!

[survey](#)

Follow us for all the latest updates!



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