



BOUNDARY LINES

A LOUISIANA REAL ESTATE COMMISSION MONTHLY NEWSLETTER

Chairman's corner



Reflection: Important Questions for 2013

By all accounts, 2013 shows signs of continuing improvement in the real estate market, which indicates expanded opportunities for real estate professionals throughout Louisiana. In today's digital age, we must all be vigilant in "dotting the I's and crossing the T's" in all real estate transactions. To protect yourself and the public we serve, you may want to make sure you have the answers to the following questions:

Do you know how and when to utilize "electronic signatures" in consummating a transaction?

Are you familiar with the rules governing website, Facebook and other online advertising?

HIGHLIGHTS: THIS ISSUE

Chairman's
Corner

Case
Study

Renewal
Stats

Thank You
Tim Flavin

Do you and/or your broker keep up-to-date paper or electronic transaction files?

Do you know your responsibilities when confronted with multiple offers?

Does your client know who represents whom in the transaction?

Have you fully disclosed everything required in every transaction?

Do you have a "tickler" file to remind yourself of buy/sell agreement deadlines?

Do you fully understand entries on the HUD settlement sheet to protect your client?

Do you need to build relationships with lenders, title companies, appraisers or other folks who can help get agreements closing?

You probably could add another twenty questions to those posed above, but keep in mind consumers depend on you, the real estate professional, to have all the answers and guide them smoothly through their real estate transactions. A moment of reflection now may pay huge dividends to you and those you serve down the road.

- Pat Caffery



JANUARY/FEBRUARY ***citations***

Citations issued from January 1, 2013 to February 22, 2013.

The Investigation Division issued 30 advertising citations during the month of January. The following list details the citations that were issued (most citations are issued with multiple violations):

3

2501.A. - Failure To Identify Listing Broker In Ad

10

2501.B. - Failure To Place Broker's Phone No. In Ad

8

2501.D - Failure to Advertise as Licensed (Name or Brokerage)

6

2501.G.3 - Team Advertisement

14

2509 - Advertising Violations by Franchises

10

2515.C.3 - No City, State, Country in Website Adv.

21

2515.C.4 - No Jurisdiction Shown in Website Adv.

Section b. of Chapter 25 of the Rules and Regulations requires that all advertising be under the direct supervision of and approved by the licensed individual real estate broker or by the designated qualifying broker.

Additional Citations issued in January:

A salesperson was issued a citation and ordered to pay a fine in the amount of \$75.00 for violating **1455.A.(21)** of the Louisiana Real Estate License Law. This licensee failed to provide the parties to a real estate transaction with a dual agency disclosure form.

A salesperson was issued a citation and ordered to pay a fine in the amount of \$75.00 for violating Section **3907.A.** of the Commission's Rules and Regulation. This salesperson failed to annotate when an offer was presented to and rejected by a seller.

A broker was issued a citation and ordered to pay a fine in the amount of \$75.00 for violating Section **2701.A.** of the Commission's Rules and Regulations. This broker failed to include the words "Sales Escrow Account" as part of the account title and failed to have it imprinted on all checks and bank statements.

- Robert Maynor





Brokers must take responsibility for the training and supervision of the licensees that they sponsor.

The LREC received a complaint from a tenant who had made minor repairs to the property he leased. The tenant demanded that the property management company compensate him for expenses he had incurred. Although we had no jurisdiction over the issue, the complaint included information concerning a rental trust account that was controlled by the company's salesperson.

An investigation was opened with the qualifying broker and the salesperson (who managed the property) being named as respondents. As part of the investigation, the records of the brokerage were inspected by our investigators. Although it was determined that all funds were accounted for, serious violations were revealed. The qualifying broker had failed to supervise his property management division. He had instructed his agent to set up necessary escrow accounts at her own bank and manage the property—independent of his supervision. Additional violations were also discovered during the investigation.

The respondents claimed that they were not aware that their actions did not comply with the laws and that they did not intentionally violate the law. Chapter 43 of the Rules and Regulations mandate that it is the duty of all licensees to have knowledge and be aware of the laws regulating the real estate industry.

The broker and his agent admitted that the violation occurred, and the matter was adjudicated at an informal hearing. The salesperson's license was suspended for 30 days, and she was fined

\$800, with a \$75 administrative fee for failure to place escrow funds in the custody of her broker (LSA:R.S. 37: 1455. A. (17)). The qualifying broker's license was suspended for 90 days, and he was ordered to pay a \$2,500 fine with a \$75 administrative fee for knowingly permitting a sponsored licensee to operate as an individual real estate broker and knowingly permitting a sponsored licensee to conduct real estate activities in violation of the law (LSA-R.S. 37: 1455. A. (19) and (20)).

The qualifying broker is representative in all matters relating to the company's real estate business activities and in administrative and regulatory matters before the Commission. The broker must be held accountable and cannot delegate his responsibility to supervise to others.

- Marsha Stafford

2013 RENEWAL STATS

As of February 22, 2013, 88 percent of 2012 real estate licensees (19,317 professionals) have renewed their licenses. When divided between active and inactive licenses, statistics show that 93 percent of active licensees have renewed and 67 percent of inactive licensees have renewed. As far as renewals, this puts us in line with last year's numbers around this time. Last year reported a final number of 91 percent of licensees renewed their licenses, which is 2 percentage points lower than the number of licenses renewed in 2011.

Another interesting statistic shows that 85 percent of licensees renewed online this year, which is up from last year's 82 percent. This number has grown considerably since 2008's 38 percent. We're working to bring the Real Estate Commission into the 21st century so that we can make things easier for all of you. We are glad you all are able to use the service. As a reminder, the final day to renew is March 31, 2013.

- Les Patin

SPECIAL THANKS TO CHAIRMAN FLAVIN



to thank him for his hard work and diligence in serving the real estate industry in Louisiana and the Louisiana public alike.

As Chairman, Flavin oversaw the first full year of the new advertising guidelines and Cite & Fine as well as a wave of education reform.

In September, Mr. Flavin visited Nova Scotia to accept two awards for the Louisiana Real Estate Commission, given by the Association of Real Estate License Law Officials (ARELLO).

Mr. Flavin will continue to serve on the Commission and will continue to be a valuable asset to the real estate industry in Louisiana.

On behalf of the Louisiana Real Estate Commission, we'd like to thank you, Mr. Flavin, for your continued service.

Chairman Pat Caffery presents a plaque to former Chairman Tim Flavin for his service as 2012 Chairman of the Louisiana Real Estate Commission.

As 2012 came to a close, Commissioner Timothy Flavin stepped down from the seat of Chairman at the Louisiana Real Estate Commission. We would like to take this time

- Les Patin

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