



# BOUNDARY LINES

A LOUISIANA REAL ESTATE COMMISSION MONTHLY NEWSLETTER

## Chairman's corner



## COMPUTER FAILURE

### *& How to Protect Yourself*

There is a famous quote attributed to almost everyone from Ben Franklin to Mark Twain: "The only two certainties in life are death and taxes." If those men had only lived a couple hundred years later, they could have added one more thing to that list: Hard Drive Failure!

With the real estate industry having already moved away from traditional paper files to electronic copies and digital files, it is important to remember that every hard drive ever made has the ability to fail! From the drive on your desktop computer to your laptop to your iPad to the flash drive that you carry around on your key chain; given enough time, they will all cease to work—usually at a rather inconvenient time.

It may have happened to you already. You've got that presentation you need to give, you

spend hours perfecting every element, you plug in your flash drive and ...nothing. We've all been there. Now, imagine this was the computer you use for all your real estate transactions, with a year's worth of records retained on it. These days, our entire lives are digital, and we trust all of it to a few magnetic platters that are read by static electricity. Pretty scary stuff if you ask me.

*“You've got that presentation you need to give, you spend hours perfecting every element, you plug in your flash drive and ...nothing.”*

The good news is that you can mitigate the risk of hard drive failure by properly backing up all files. Most operating systems have a built-in way to back up your data through an external hard drive, flash drive or other option. Another great option is cloud storage. There are some great companies out there that offer online incremental backups so that when your computer crashes, everything is already backed up and ready to be restored. Many people think these cloud storage options are expensive, difficult and only for big companies. Not so! There are simple, inexpensive options out there tailored to the needs of an individual licensee.

When you have storage drive failure, it can either be a complete disaster or a minor inconvenience. My guess is you probably have back up plans for everything else you set out to accomplish. It just may be the right time to make sure you have a solid back up plan for your electronic files!

Pat Caffery

### HIGHLIGHTS: THIS ISSUE

Chairman's Corner

Cite & Fine Citations

Electronic Signatures

Website Update





## Electronic Signatures A Need to Know

Utilizing digital signatures in your real estate practice has many benefits to you as an agent and to the clients you represent. This technology will play an important role in our lives with the gradual digitalization of all records and documents. Even though digital signatures are now accepted at par with handwritten signatures and the electronic documents that have been digitally signed are treated at par with paper documents, some agents are reluctant to employ this technology. As a sponsored licensee, you should always follow your qualifying or sponsoring broker's office policy regarding this technology.

Clients who are not tech savvy may be concerned regarding the security of the documents when using digital signatures. If the agent has a basic understanding of the technology, he or she will be able to provide assurance that digital signatures are actually more secure than ink signatures in many situations.

Vendors who supply digital signature services have programs that discuss mechanisms in place to validate all signatures, confirm the identity of everyone who signed the document, verify the date and time that the signatures were affixed and validate the documents integrity by tracking all previously signed versions of a specific document.

Ink signatures, when manually or digitally copied, may be duplicated from one document to another, resulting in lack of security and possible fraud.

Legislation on the federal and state level has provided legal recognition to digital signature meaning, thereby, that legally it has the same

value as handwritten or signed signatures affixed to a document.

Experts have stated that the parties to a contract must consent to use electronic signatures by signing an agreement in "ink" and have suggested that the parties use an actual signature on an addendum to the contract to create the consent.

The Commission recommends consulting legal counsel for proper form and execution of any consent agreement to utilize electronic signatures.

### *ADVANTAGES OF USING DIGITAL SIGNATURE TECHNOLOGY:*

*More secure than paper*

*Real estate contracts and other documents can be emailed for instant signature and return*

*Audit trail is maintained*

*No waiting for faxes or overnight mail*

*Clients can utilize their iPhone, iPad, or their personal computers*

There are several e-signature services available in the marketplace. Research them in order to choose the one that best fits your individual needs after obtaining guidance and approval from your broker.

- Marsha Stafford



## JULY/AUGUST citations

### Citations issued from July 1 to August 31, 2013:

The Investigation Division issued 16 advertising citations during the months of July and August. The following list details the citations that were issued (most citations are issued with multiple violations):

1

**2501.A.** - Failure To Identify Listing Broker In Advertisement

3

**2501.B.** - Failure To Place Broker's Phone Number In Advertisement

3

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

3

**2501.G.3.** - Team Advertising Violation

1

**2505.A.** - Misleading or Inaccurate Advertising

2

**2509.A.** - Advertising Violations by Franchises

1

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

6

**2515.C.4** - No Jurisdiction Shown in Website Advertisement

### Additional Citations issued in July/August:

A broker was issued a citation and ordered to pay a fine in the amount of \$225.00 for violating **Section 2701.A.** and **Section 2715.A.4.** of the Commission's Rules and Regulations. This broker failed to include the words "Sales Escrow Account" as part of their escrow account title and failed to properly notify all parties in writing before disbursing an escrow deposit.

A salesperson was issued a citation and ordered to pay a fine in the amount of \$150 for violating **Section 3907.A.** of the Commission's Rules and Regulations. This salesperson failed to provide the selling agent and a purposed purchaser with a copy of a rejected offer.

### CONTINUING EDUCATION AUDIT an update

The Investigation Division opened 1,429 cases for the 2013 Continuing Education Audit. As of September 1, 2013, the Investigation Division has received over 250 stipulations consent orders for individuals who failed to complete all or part of their required continuing education. The Commission has yet to receive responses from over 300 licensees. Licensees who fail to respond by October 1, 2013 will be issued a cease and desist order and will not be allowed to renew their license. As always, licensees should retain their course completion certificates, and licensees can view the education currently on file with the Commission on the Commission's website.

- Robert Maynor



# MEMBERS SECTION

## NEW ONLINE FEATURES FOR LICENSEES EXPLAINED

The LREC is developing a Members Section for the licensees in the future that will be linked by clicking on the “myLREC” button. This will take them into a logon screen where they will be prompted to enter a username and password. These credentials will be the same credentials that the licensee uses to log on to their e-mail and renewal site. Once inside, the licensee will be greeted to a home page where a myriad of their personal information will be available in relation their license, such as:

### PHASE I (COMPLETE):

1. Individual Education records without a search (Read Only)
2. Change Address (All information will be prefilled. Name, address sponsoring Broker, etc)
3. Past records for payment records going back five years (Read Only).

### PHASE II (UNDER REVIEW):

1. Name and License number on the welcome screen when they sign in
2. Direct Link to Printable License (If they are a Broker)
3. Username and Password

### PHASE III:

4. Direct link to Delinquent Affidavit (Filled in form)
5. Direct link to Renewal Form (Filled in Form)

- Jeremy Endicott

# STEVEN HEBERT

## THE LREC WELCOMES ITS NEWEST COMMISSIONER



*Chairman Caffery welcomes Commissioner Hebert at the Sept. 26 Commission meeting.*

The LREC swore in Steven Hebert of Lafayette as the new District III Commissioner at the September 2013 Commission meeting.

Hebert is the Chief Operating Officer of Coldwell Banker Pelican Real Estate, a nationally franchised, full service real estate firm. In 2006 Coldwell Banker Pelican Real Estate was listed as the 203rd largest real estate brokerage in America.

He is also the publisher and author of *Real Estate Lafayette*, a biannual real estate publication for Acadiana. He is considered an authority on the local real estate market and is frequently quoted by local media with his opinions on Lafayette real estate market conditions.

Hebert was named as the 1997 Realtor Of The Year, and was president of the local Real Estate Board in 1994.

A graduate of Fatima High School, he attended U.S.L., now the University of Louisiana at Lafayette, where he was a walk on football player. He is married to the former Cindy Judice, and lives in Lafayette with their four children.

The LREC welcomes Steven and looks forward to his further contribution to the real estate industry in Louisiana!



# DIGITAL SIGNATURES

## Do You Know?

How can the use of a service provider for digital signatures assist licensees in complying with the Louisiana Licensing Law and the Rules and Regulations?

Is there a difference between digital signatures and electronic signatures?

Which type of signature (ink or digital) can be replicated or forged more easily?

Are digital signatures legally enforceable?

What is the only service vendor for digital signatures that is FHA approved?

Does the language in our mandatory agreement for residential property provide an option to “consent” to use of digital signatures or does it grant authorization to send the documents?

Follow us for all the latest updates!



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