



BOUNDARY LINES

A LOUISIANA REAL ESTATE COMMISSION MONTHLY NEWSLETTER

Chairman's corner



RENEW NOW!

& Enjoy Your Holiday Season

There are a few facts we all know and can count on in life. The sun rises in the east, the IRS will get their due and sooner or later, we all will meet our maker. One additional fact for real estate licensees is that Dec. 31 is the last day to renew licenses! Despite this annual deadline, one in ten licensees forgets to renew his/her license and end up paying a delinquent fee in order to continue practicing real estate.

However, in order to renew, each licensee must complete twelve (12) hours of continuing education, which includes the four (4) hour mandatory topic. If you are unsure how many hours you have taken, the LREC makes it easy for you to check what hours you have credited by going on our website at www.lrec.state.la.us

The good news is that over 96 percent of

all active licensees completed their continuing education requirement on time last year. The bad news is that over 3 percent, which equates to nearly 500 licensees, failed to meet the Dec. 31 deadline in 2012, and were required to pay a hefty fine and make up the missing hours. With the hustle and bustle of the year-end holidays approaching, it's easy to get caught up in all the

“Use Dec. 31 to celebrate the New Year, not for cramming in that last CE course!”

festive activities and neglect the most important element in your career: your license to practice!

Your LREC has made it as easy as clicking a few buttons on our website to check your education record and renew your license. For those who prefer walk-in service or prefer the paper renewal process, those options are still available. Keep in mind, any courses you have taken in the last 30 days may not have been reported yet by your course provider, and they may not show up in your total we have on file. Always keep copies of your course certificates in the event your course provider misses something.

More good news is that your LREC has held the line and the amount of your annual renewal fee, as well as the LREC-provided E & O insurance remains unchanged for another year! Why not take a moment and renew now to secure your 2014 license? Use Dec. 31 to celebrate the New Year, not for cramming in that last CE course!

Sincerely,
Pat Caffery

HIGHLIGHTS: THIS ISSUE

Chairman's
Corner

Cite & Fine
Citations

E-Signature
Answers

New E-Learning
Video





CASE STUDY

There's No Grace Period: Delinquent Renewals

As a licensee, remembering to renew your license is of utmost importance. Your license alone is what allows you to buy, sell and lease real estate on behalf of others in Louisiana. Having your license lapse officially removes those rights from you immediately. As it stands, there is no grace period. After midnight on Dec. 31 of a calendar year, a license—unless previously renewed—expires.

At that point, licensees are prohibited from practicing real estate for a commission or fee. Licensees still have until March 31 to renew their license, though delinquent fees do apply.

“ At that point, licensees are prohibited from practicing real estate for a commission or fee. Licensees still have until March 31 to renew their license, though delinquent fees do apply. ”

A licensee who had not renewed his license on time continued to practice real estate. His sponsoring broker continued to pay the unlicensed person commissions without verification of license status. Upon discovery of the activity and after an investigation was completed, the matter was

referred to a hearing. Both the agent and his broker were charged with violations of the law. The investigation determined that the agent had been paid substantial commissions by the broker during the time that the person was not licensed. The manner was adjudicated by an informal hearing and the respondents were sanctioned:

The respondent was censured and fined \$1,500 for conducting real estate activity without a license. (LSA-R.S. 37: 1436. B.)

The sponsoring broker was censured and fined \$3,000 for paying a commission to an unlicensed person. (LSA – R.S. 37: 1446. A.)



- Les Patin



SEPTEMBER/OCTOBER citations

Citations issued from September 1, 2013 through September 30, 2013.

The Investigation Division issued seven (7) advertising citations during the month of September. The following list details the citations that were issued:

1

2501.A. - Failure to identify listing broker in advertisement

1

2501.B. - Failure to place broker's phone number in advertisement

2

2501.D - Failure to advertise as licensed (name or brokerage)

1

2509 - Advertising violations by franchises

2

2515.C.4 - No jurisdiction shown in website advertisement

Citations issued from October 1, 2013 through October 31, 2013.

The Investigation Division issued nine (9) advertising citations during the month of October. The following list details the citations that were issued, some citations were issued for multiple violations:

5

2501.B. - Failure to place broker's phone number in advertisement

2

2501.D - Failure to advertise as licensed (name or brokerage)

1

2505.A - Misleading or inaccurate advertising

2

2509 - Advertising violations by franchises

4

2515.C.3 - No city, state, country in website advertisement

5

2515.C.4 - No jurisdiction shown in website advertisement

Additional citations issued in September:

A salesperson was issued a citation and ordered to pay a fine in the amount of \$150.00 for violating Section **2503.A.** of the Commission's Rules and Regulations. This salesperson advertised property for sale without first securing all owners written authorization.

A broker was issued a citation and ordered to pay a fine in the amount of \$250.00 for violating Section **2901.A.** of the Commission's Rules and Regulations. This broker failed to properly disburse a sales escrow deposit held in connection with the sale of real property.

- Robert Maynor





Digital Signatures

Is there a difference between digital signatures and electronic signatures?

a. Digital signatures are often used to implement electronic signatures, a broader term that refers to any electronic data that carries the intent of a signature,[1] but not all electronic signatures use digital signatures

Are digital signatures legally enforceable?

a. Yes. The Louisiana Uniform Electronic Transactions Act (LUETA) defines the legal recognition of contracts that are electronically recorded and electronically signed. Laws requiring a record to be in writing or to be signed will be satisfied by an electronic record or electronic signature respectively. La. R.S. 9:2607

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

a. Only one vendor is: *DocuSign*.

- Marsha Stafford

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?

- a. Provides a copy of the real estate document (purchase agreement, listing or management agreement, lease, disclosures, addendums, extensions, etc.) to all parties viewing the document.
- b. Automatically annotates the time and date that the document was received, presented, or accepted/rejected, and returned.
- c. Offers to buy or sell real estate can be presented “immediately” as the rules require with just a tap on your phone or iPad

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

- a. An ink signature could be replicated from one document to another by copying the image manually or digitally, but to have credible signature copies that can resist some scrutiny is a significant manual or technical skill, and to produce ink signature copies that resist professional scrutiny is very difficult.
- b. Additionally, most digital certificates provided by certificate authorities to end users to sign documents can be obtained by almost anyone gaining access to a victim’s email inbox.

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?

- a. A portion of the agreement allows for the documents to be disseminated electronically and does not allow for buyers or sellers to use electronic signatures.



E-LEARNING VIDEO

Accessing & Forwarding Your LREC Email

We announced that renewal forms have been emailed to licensees via their LREC-assigned emails. Every year, some licensees have a difficulty accessing or forwarding their LREC email.

This year, the LREC has a quick solution. Our new e-learning video provides a tutorial on accessing and forwarding your LREC email.

Check it out!

E-LEARNING VIDEO LINK

Follow us for all the latest updates!



Commissioners & Contributors

Bobby Jindal
Governor

Patrick T. Caffery, Jr. (New Iberia)
Chairman

Paul Burns (Baton Rouge)
Vice Chairman

James Gosslee (Shreveport)
Secretary

Steven Hebert (Lafayette)
Commissioner

Cynthia Stafford (Gonzales)
Commissioner

Bruce Unangst
Executive Director

Lynda Nugent Smith (New Orleans)
Commissioner

Timothy J. Flavin (Lake Charles)
Commissioner

Archie Carraway (Oak Grove)
Commissioner

Evelyn Wolford (New Orleans)
Commissioner

Frank Trapani (New Orleans)
Commissioner

Rod Noles (Alexandria)
Commissioner

Arlene Edwards
Legal Counsel

CONTRIBUTORS:

Marsha Stafford
Hearing Examiner

Robert Maynor
Director of Investigations

Les Patin
Editor

