



BOUNDARY LINES

A LOUISIANA REAL ESTATE COMMISSION MONTHLY NEWSLETTER

Chairman's corner



We Need Your Help!

Your Real Estate Commission is required by law to select a four (4) hour mandatory topic each year as part of your required continuing education as a professional real estate licensee. Commission members anticipate selecting your 2015 Mandatory Topic at our July meeting, and we would like to hear from you as to which topic(s)

you feel would be most beneficial to you and your peers.

Would a practical course on how to stay out of trouble in meeting all the federal and state requirements on mandatory and recommended disclosures be helpful? How about a complete update on Fair Housing, Anti-Trust and Licensee Risk Management? Are agency problems in dealing with sellers listed with limited service brokers giving you pause? Do you prefer to take

In 2015, which real estate topics are most important to YOU?

We want to hear from you as your Commission makes a final decision on the 2015 mandatory topic!

live or online classes? Do you have any other topics you would like to see covered?

Please take a moment and click on the survey link in this newsletter and let us know your thoughts. We want to hear from you as your Commission makes a final decision on the 2015 mandatory topic. We also want to know your preferences in promoting meaningful continuing education for our Louisiana licensees. Now is your chance to have your opinions heard!

HIGHLIGHTS: THIS ISSUE

Chairman's Corner

Appraisal Q&A

Paul Burns

Audit Instructions

LREC Retirements

CLICK HERE TO TAKE THE SURVEY!





AUDITED

Don't Panic Follow These Steps

So, you've just been audited? Don't panic. Your LREC is fully prepared to assist you in correcting any error that may have caused your education credits to be audited.

First, read the notice thoroughly. The notice that you receive will give instructions on what you must do as a result of being audited. Being audited does not necessarily mean you did something wrong. Our system pulls an audit list based on the date renewed and the date and number of continuing education hours on file. The audit program also looks to make sure the four-hour mandatory course was completed on time.

What are the education requirements? Licensees are required to complete twelve (12) hours each year—four (4) of which must be the mandatory course. If you are a new licensee and subject to the post-licensing education requirement, those hours could fulfill eight (8) of the twelve (12) hours but you must also have the four-hour mandatory course.

Nobody's perfect. We all make mistakes. You should check your files to see which courses you completed for the year and what dates are on the education certificates. Make sure the license number on your education certificate matches the real estate license number on your license. If you verify that you have the necessary hours with your certificates, check the Commission website using the Licensee Search feature to ensure your records match ours. To do this visit our website (www.lrec.state.la.us), click Licensee Search. Type your name into the search bar, and click search. Once you find your name on the list, click it and you will see a link to View Education Records. This will show what information has been reported to the Commission. If your records don't match the Commission's records, you will need to contact the Vendor who hosted/taught the education course in questions to see why your completed education was not reported. Once you have obtained the

reason for your education not being reported, you can use that information as part of your response to the audit notice.

If all of the hours on your education certificates are reflected in the Commission's View Education Records page, make sure the Year Applied does not show a previous year and that the hours show the correct number and not zero.

You may have been required to complete education as part of a previous years audit or the hours could have been used as part of a transfer to active status. You may have thought you were taking a four-hour course when it was actually a two or three-hour course. If you renewed delinquently and did complete your hours prior to renewing, you may just need to provide copies of the certificates to our office. Education completed online is reported to the Commission with a completion date of the end of the month. If you completed your online education on January 15, 2014 then renewed January 16, 2014 your education will show a completion date of January 31, 2014.

There may be a perfectly good reason why you were audited, we just need to get it figured out. If that reason is because you didn't complete the required number of hours in a timely manner, don't panic. You will not lose your license, and you can continue to practice real estate while you are clearing up the audit. Gather and review all your records so you have a clear understanding of what you have and what you may be missing. Then, then make sure you respond to the audit notice. Failure to respond to a Commission request could lead to more serious charges and possibly revocation of your license.

- Mark Gremillion



APRIL/MAY citations

Citations issued from April 1, 2014 through May 31, 2014.

The Investigation Division issued twelve (21) advertising citations during the months of April and May. The following list details the citations that were issued (some citations were issued for multiple violations):

april

2

2501.A. - Failure 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 advertisement

1

2509 - Advertising violations by franchises

2

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

6

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

may

1

2501.A. - Failure identify listing broker in advertisement

1

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

2

2501.G.3 - Team advertisement

1

2507 - Failure to indicate dates in printed advertisement

4

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

4

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

- Robert Maynor



New APPRAISAL Q&A

QUESTION:

I am a mortgage broker and I have been approached by a customer who very recently had an appraisal done through another mortgage company. Can my company use that appraisal? Can my company order another, new appraisal from the same appraiser?

ANSWER:

No, your company cannot use that appraisal. Your company may, however, order another appraisal from the same appraiser.

QUESTION:

How do I find an appraiser who is qualified to appraise my property?

ANSWER:

Appraisers can be located by various sources including referrals from real estate or mortgage professionals, on-line appraiser directories and professional appraiser organizations. Remember, if the appraisal is for loan purposes, the mortgage company must order the appraisal.

It would be prudent to ask to review the appraiser's qualifications. The appraiser's qualification resume will likely include the appraiser's level of licensure, number of years of experience, type of experience, amount and type of professional education and a list of past clients. You should ask to see qualifications of all appraisers signing the report.

QUESTION:

Why did the appraiser "low-ball" or "overvalue" the property?

ANSWER:

The appraiser is engaged as a disinterested third party. Many times the appraiser's opinion of value is different than the sale price or the owner's opinion of value. The appraiser's value should be supported by clearly presented factual data.



QUESTION:

What should I do if the appraisal incorrectly describes my property?

ANSWER:

Appraisers sometimes make errors in describing a property. Mistakes that are few, minor and do not cause the report to be misleading do not constitute a violation of license law. If the errors are many, major, and cause the report to be misleading, you can file a complaint with the Louisiana Real Estate Appraisal Board.

Measurement of structures can vary from one appraiser to the next or by one method to the next. Total square foot variances should be expected.

QUESTION:

Can I take the appraisal to any lender if I paid for the appraisal?

ANSWER:

Federal regulation requires that an appraisal used for loan purposes must be ordered by the lender who enters into a client relationship with the appraiser. While a residential borrower has a right to a copy of the appraisal report, the report belongs to the lender.

QUESTION:

I am a mortgage broker and want the appraiser to give me an indication of the property's value before I order and ask my borrower to pay for an appraisal. Can the appraiser legally do this?

ANSWER:

If the appraiser gives you a written or verbal opinion of probable value or a range of values, that appraiser has just completed an appraisal. The appraisal and the appraisal report must comply with the Uniform Standards of Professional Appraisal Practice.

QUESTION:

I do not want to pay for an appraisal unless the loan is funded. Can the appraiser do the appraisal with this contingency?

ANSWER:

No, the appraiser cannot accept such an assignment. This is a violation of the Ethics Rule of USPAP.

QUESTION:

A few months after I moved into my home, the furnace stopped working and it was discovered that there was a crack in it. Is the appraiser responsible?

ANSWER:

While an appraiser should notice and report any obvious deficiencies, needed repairs, or deferred maintenance, the appraiser is not a home inspector and cannot be responsible for detecting all defects in a property.



Retiring!

*Gwen
Chapman*



Gwen started working with the LREC in August of 2002. She said she'll miss her co-workers most of all. "I've met many interesting people through LREC and wish the very best for all those who have allowed me to work with them through the years," Gwen said.

She and her husband Alex want to travel more, and see some of the places they've always intended to visit but never found the time. In addition, Gwen said she'll be enjoying her garden, grandkids and fur family (eight dogs!). She said she anticipates having more time to sing with her Sweet Adeline friends--a singing QUARTET? of which she is a part--as well as and participate more in their humanitarian activities, such as the battered women's shelter and habitat for humanity.

*Ivy
Stringer*



Ivy Stringer joined the LREC team in 1998 from another state agency. She left for a year in 2002 when her husband retired, and she returned in 2003 where she continued working as a Real Estate Investigator until March of this year.

Stringer said she'll miss her office buddies the most, but she's looking forward to the simple things in her retirement: growing tomatoes, crocheting and enjoying her family and friends.

Wherever she goes and whatever she does, Stringer said the LREC will always have a special place in her heart.

Congratulations!



Informal Adjudicatory Hearing

The Greater Baton Rouge Association of Realtors signed a consent order during an informal hearing conducted on May 8, 2014, wherein they consented to the imposition of a sanction for filing a false document with the Commission.

On December 27, 2012, the Greater Baton Rouge Association of Realtors provided an amended attendance report and a class sign-in sheet for a 4 hour course for a licensed salesperson who had not attended the live course; therefore, a false document was filed with the Louisiana Real Estate Commission, in violation of **LSA-R.S. 37:1454** and **LSA- R. S. 37:1455. A. (1)**.

The Certificate of Authority (#8030) issued to The Greater Baton Rouge Association of

Realtors as a real estate education vendor was ordered to be suspended for a period of 30 days beginning June 15, 2014, through July 15, 2014. Further, the Greater Baton Rouge Association of Realtors was ordered to pay a fine in the amount of \$1,500 and a \$75 administrative cost of the adjudicatory proceeding.

The Stipulations and Consent Order was approved by the Commission on May 22, 2014, at the regular business meeting.

- Marsha Stafford

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