

## RÉSUMÉ DIGEST

ACT 363 (SB 506)

2024 Regular Session

Edmonds

Existing law provides for the Unfair Trade Practices and Consumer Protection Law.

New law defines "real estate broker" or "real estate sales person", "real estate service agreement", and "residential immovable property".

New law provides that no person shall secure any obligation in a real estate service agreement by obtaining a security interest, lien, or mortgage against residential immovable property or record a real estate service agreement in the mortgage or conveyance records, and provides that any person who violates the provisions of new law shall be subject to the person the provisions of existing law, excluding private rights of actions.

New law provides that any violation arising out of a real estate service agreement does not constitute a real right and is not effective against third persons, whether or not the agreement is recorded.

New law provides that any mortgage purporting to secure or create an encumbrance upon immovable property as security for an obligation arising from a real estate service agreement is absolutely null.

New law provides that the recording of a real estate service agreement, or a notice, extract, or memorandum thereof, in the mortgage or conveyance records shall not provide actual or constructive notice against a bona fide purchaser or creditor.

New law allows an interested person to petition the court for a writ of mandamus ordering the clerk of court to cancel a security interest, lien, mortgage, or to remove a real estate service agreement, or a notice, extract, or memorandum thereof, from any public record.

New law does not authorize a real estate salesperson or real estate broker to record a lien or privilege against an owner's residential immovable property to secure payment of a commission or other compensation.

New law provides for applicability.

Effective May 28, 2024.

(Adds R.S. 51:1429)