



Central Valley Association of REALTORS®

www.cvar.org

January/February 2011

Property Lines is the newsletter of
Central Valley Association of REALTORS®
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www.cvar.org is always open. Check out news you can use & marketing meeting links or facebook	Any Time

President's Message by Imran Poladi

“Our past is the platform to excel into the future!”



Thank you to all of the membership and the amazing things you have accomplished over the last few months. Becoming your 2011 President has been a whirlwind and an exciting process. I had the pleasure of attending the Local Council

CanTree events and meeting many of you. It has been great to get to know all of you as WE the members make this organization. As I am sure Presidents say every year, it is important to hear from the membership. Let your Local Council leaders and or Board of Directors know your concerns or if you need something addressed locally. Our Association is at its strongest when our members keep us informed of the needs.

The Association members have been busy

over the last 60 days. We have had CanTree events, Installation Luncheon, Stocktonian of the Year, Christmas Parties, C.A.R. Meetings in San Diego, CA and more! If you have not checked out the Association Facebook page, please do! We have been posting videos, pictures and useful information as soon as it comes out.

As I debated about the different topics to highlight in this issue, I thought it would be

best to keep it simple

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2011 Broker/REALTOR® Statement Update

Included in this issue is your Broker Statement, update printed as of Sunday, Feb 13. We as an Association work hard to update you about the agents we show under your records. Please review

this list carefully and notify us of any agents that may no longer be practicing with you. We encourage you to go to <https://secure.dre.ca.gov/> elicensing and remove them immediately. If

you have any questions about this or anything related to you or agents bill, please contact us immediately by emailing Rachel at rachel@cvar.org or call us 209.858.1700.

President's Message

and lay out the vision for the CVAR 2011. As I mentioned at the CVAR Installation Luncheon at the Lexington Hotel, my intent is to make sure the Local Councils are the focus point. This year, each one of our Councils consists of strong leaders. From Turlock to Stockton and every city in-between, your volunteer leaders work to ensure that the needs of today's CVAR REALTOR® are met.

Secondly, an important focus for me this year is to start our Young Professional Networking Group (better known as YPN). YPN is now a recognized group by the National Association of REALTORS®. I think we can help CVAR by bringing this model here. I am amazed at the power we have as the Central Valley Association of REALTORS® when we work together. Part of the purpose of YPN is to create a group that introduces today's REALTOR® to the aspects of Real Estate Leadership and the political side of our industry.

Just a few years ago, I was just an agent, going about my business of selling houses. I had no idea what amazing opportunities were awaiting me once I dove into leadership. But...the jump into leadership was definitely a scary one. By joining the CVAR YPN, an agent can participate at whatever level they are comfortable with,

while still getting involved and staying in the know. Best of all, YPN membership is free and there is no age restriction. One of the most influential YPNers in the State is an 81-year old REALTOR® from Oakland. I have also been asked to serve on the YPN Advisory Panel for the State, which is a great opportunity that I am looking forward to and hope to gain further insight for you.

Lastly, please read this Broker package completely. Included in here is your Broker Statement. NAR & CAR is really clamping down this year on nonpaid members or people using the REALTOR® name when they are not. Because of this we on the local level must be a lot stricter in how we approach this. Please help us, help you avoid any interruption in services and late fees that C.A.R. issues.

I am proud to be your 2011 President and will continue to work with your leadership to tackle the challenges we face here in the Central Valley. Onward and upward!

C.A.R. urges action on short sales, HAFA

In response to the ongoing challenges REALTORS® face in working with short sale transactions and HAFA, C.A.R. recently sent letters to officials at the U.S. Dept. of the Treasury, Federal Housing Finance Agency, Fannie Mae, and Freddie Mac requesting immediate changes to the HAFA program and recommending solutions so the program can succeed.

In the letters, C.A.R. made the following recommendations:

- Require servicers to comply with HAFA timelines
- Increase monetary incentives to senior and subordinate lien holders
- Enforce other HAFA rules
- Provide uniform guidelines for all HAFA programs
- Mandate lenders to approve and complete HAFA short sales

C.A.R. will continue to remain vigilant in the arena of short sales and the HAFA program. Stay tuned for future updates as we ramp up our efforts in early 2011 to address members' concerns related to short sale transactions.

To avoid any interruption in service, please pay your 2011 dues as soon as possible. N.A.R. & C.A.R. are mandating that we turn everyone off on February 28, 2011 at which point you will have to pay a late fee in addition to the 2011 dues. Please avoid this and contact us today!

www.cvar.org or (209) 858-1700

For CVAR Members

CAR Update Jan 26-29,th 2011, San Diego

Prepared by Christine Lynch

CVAR: C.A.R. Impact Trustees Committee Wed Jan 26th 8am – 12pm

Stockton Point of Sale issue:

CVAR, in conjunction with LAR, have been fighting a Point of Sale issue in Stockton regarding an “energy audit” prior to close of sale. This audit is estimated to cost \$500. Although this audit may not be a bad idea; as it does give the buyers a clear picture of what things they can do to upgrade their home for more energy efficiency and thus save money in energy costs. The issue for CVAR is not energy efficiency rather making the real estate professional the energy police. We also have major concerns around items that MUST be done prior to close of escrow, costs and all at the time when transactions in Stockton can be difficult. CVAR believe educational awareness would be the most effective way to accomplish what the city’s energy goals.

CVAR met with CAR’s Impact Committee on Wed Jan 26th in San Diego to request funds to help us fight this Stockton Point of Sale issue. We presented our case and provided the documents they needed to make a decision. The result is, CAR did approve our request! They are giving us up to \$50,000 as a dollar for dollar match to fight this issue. Our matching funds are coming from our (CVAR) Impact Fund.

Our goal is to not only stop the Stockton Point of Sale issue, but also to create a document that can be transferred to any city to stop the same Point of Sale issue there. Our efforts today will protect all cities in California and possibly the Nation from facing the same issue.

CVAR

Ethics Advocate Program

As your incoming 2012 president, I will be working on creating an Ethics Advocate Program for CVAR. This has been a pilot program with only a few associations participating at this time. To date, it has been a huge success in not only bringing cases forward, but also speeding up the process during the hearing.

This program is to assist the membership through the process of filing an ethics complaint against a fellow REALTOR®. We would help with the paperwork, gathering of evidence, and presenting to the Pro-Standards committee. This service is free to members and can be used both by the complainant and the respondent.

I attended a class on Friday Jan 28th to kick start this effort. I will be taking an advanced class at CAR meetings in May. Once I have a complete handle on the program I will invite a CAR Pro-Standards Representative to CVAR to finalize the set-up. I hope to launch this program in early 2012.

Public Policy Forum Wed 26th 3:30pm – 5:00pm

Guests Present: Assemblywoman Mary Hayashi and Bob Clark who is the Chair of Assembly Business and Professions and also on Consumer Protection Committee.

Subject: Appraisals and Appraisal Management Companies

Facts:

Number of appraisers peaked in 2007 with over 20,000; In Jan 2011 we now have just over 13,000 licensed appraisers.

The #1 complaint is “geographical incompetency”.

The #2 complaint is “portable appraisal”. The issue is not that appraisals can’t be portable, it’s because each lender has different requirements which then make them not portable. If two lenders agree to allow an appraiser to be portable is CAN be.

The #3 complaint is buyers are not getting the appraisal at the time it’s provided to the lender. The buyer has the right to get a copy after close, but this is not helping in a situation of an incorrect appraisal.

It is NOT “pressure” to provide comps to an appraiser. However, you cannot demand they use them. If an appraiser says, “I can’t take that, it’s because they are not familiar with the HVCC rules.”

What to do:

If you feel you received an appraisal that is incorrect because of an incompetent appraiser or an AMC who is not addressing your issues; you can file a complaint with www.OREA.ca.gov. This website is a full service website just like DRE’s website. Here you can do a license status check and file a complaint with an individual appraiser or an AMC (appraisal management company) and much more.

Note: complaints do take 3-5 months to process. You will be notified that action, if any, was taken. You won’t know exactly what action was taken just that “the appropriate action was taken”.

You can remain anonymous in your complaint. You will fill out ALL the information on the complaint then write “wish to remain anonymous” on the signature line.

***OREA said, “Please file complaints”. They can’t fix these issues without us.

Professional Standards Forum Thursday Jan 27th 8am – 11:30pm

Update:

Article 12 of Code of ethics; to be changed regarding “first point of contact must have DRE#” to include social media sites.

Twitter: You must have a link to something that has your DRE #.

Standard Forms Advisory Committee Thursday Jan 27th 9am – 12:00pm

Updates:

10 forms regarding leases will have changes in wording. They will be launched in April 2011. You can see drafts of the forms on CAR’s website. Remember these are drafts that could change by launch time.

Combined Environmental Hazards Booklet; CAR has worked with Dept of Substance Control(DTSC) to create a guide for Homeowners, Homebuyers, landlords and tenants to satisfy enactment of SB183 in 2010. This is in regards to “carbon monoxide” information. The new addition to the booklet will ensure REALTORS® and sellers satisfy their disclosure obligations.

The revised booklet will be coming out on February 22nd 2011, although the law does not come into effect until July 1st, 2011. At this time every home will be **REQUIRED** to have a carbon monoxide detector installed.

E-pubs will be splitting up the New Combined Hazards Booklet into 2 sections so that it can be emailed. As you may know, since they added the HERS info to the booklet the file is too large to even email from zip-form directly.

Zip Vault: By the end of February you will be able to scan documents that are not zip forms to your vault file.

DocuSign as a free service: DocuSign did pull out from the deal just before launch. CAR is continuing to work with DocuSign to create a free version of their product. Stay tuned.

Digital Ink is free and launched in January 2011 as planned.

**CVAR REALTOR® Leadership
working hard for REALTOR®
Success www.cvar.org**

MLS/Computer & Business Technology Thurs 27th 1:00pm – 3:00pm

Updates:

RPR (NAR's REALTOR® Property Resource) is a free product that only REALTORS® can access. This product gives access to foreclosure info. and all public records including permits and much more to the whole nation. However, each local MLS must sign-up for this. There are currently 200 MLS's involved with RPR. Our local MLS's do not subscribe at this time.

CRMLS (Statewide MLS previously named CALREDD) 24 associations have joined, which currently services 110,000 REALTORS®. Two more associations have agreements to test drive the system.

Legal Update:

NEW Fannie Mae Short Sale Assistance Desk (Help Desk)

To be used when; 1) a servicer is not responsive 2) existence of a 2nd lien holder

** The 1st loan MUST be owned by FNMA to use this service.

** The local MLS MUST participate in this help desk. Currently, our local MLS's do not participate. I'm sure there will be more news to come in the May and Oct CAR meetings.

MLS Update:

Reporting Sold Listing Information; The issue has come about because there are certain areas of the state where buyers are asking that the sold price of a property not be published in the MLS upon closing. These buyers are typically located in the affluent areas where a public figure doesn't want everyone to know what they paid. Of course, the position of the REALTOR® is "we need that information for comps" and "the fact that the sold information is public record anyway". Making us go to another location (public records) to get the information is not going to fix their issue.

In the areas affected by this buyer complaint, the agents are simply withdrawing the listing from the MLS before closing, thus not reporting the closed sale information.

An **ACTION ITEM** was passed in the MLS forum and this was taken to CAR Board of Directors which also passed the motion as follows:

"In the event NAR considers MLS policy regarding the mandatory reporting of sold information, CAR supports the position that an MLS should be allowed to require mandatory reporting of both sold status and selling price as a requirement of a listing property with the service."

**NOTE such a position allows, not compel, an MLS to adopt exceptions when a buyer/seller choose not to disclose.

REALTOR® Risk Management Friday Jan 28th 8am to 11am

Updates

Pest Control: No real issues have come about since the new termite tenting requirements that were launched Nov 1st 2010. There have been complaints that PG&E is often refusing to turn power back on the 3rd day of the tenting process due to "possible" chemical residual

Lead based paint regulations: Reminder that this law took affect in Oct 2010. Pre 1978 built.

The rule is:

Activities that will disturb less than the following square feet of paint surfaces in 30 calendar days (counting all paint on a removed component) require a Certified EPA Renovation License.

6 square feet per room for interior activities; or

20 square feet for exterior activities.

But this exemption does NOT apply to the following:

Window replacement.

Demolition of painted surface areas.

Using any of the following:

Open-flame burning or torching;

Machines to remove paint through high-speed operation without HEPA exhaust control; or

Operating a heat gun at temperatures at or above 1100 degrees Fahrenheit.

Note: Even a plumbing job can trigger this requirement!

Certification can be obtained by taking an 8hr class, buying about \$2,000 worth of materials ie, warning signs, suits to wear during removal etc.

Fines for violating this rule can be as high as \$37,500 per violation and/or federal prison time.

Records of the renovation must be kept for 3 years.

3 insurance carriers including "Liberty Mutual" are now saying "no inspection, no insurance" when going to insure a pre-1978 home. This is regarding a lead based paint inspection.

Inspections cost an average of \$500 to \$600 or more depending on square footage.

Note: Lead based paint is NOT in every home pre-1960. Lead based paints were very expensive and usually the affluent populations were the people who could afford the "good stuff".

For complete information go to <http://www.epa.gov/lead/pubs/renovation.htm>

Short Sale Fraud in the government's eyes:

Common frauds

- Straw buyers aka fake or false buyers

Short sale flipping. This is under pricing the home to a buyer, then reselling the home to another buyer after the close of escrow for more money. Those involved include appraisers, BPO agent, & are usually done when dual agency is involved.

Note: The FBI is looking into this. The feds have a 10 year statute of limitations in many cases.

- Fees paid to ANYONE outside of the HUD-1

Advanced fees. They are not allowed unless you have approval from DRE.

Note: Currently there are only 2 people/companies approved with DRE in the whole state of California to take advanced fees.

Unlicensed short sale negotiators. Short Sale negotiators need a real estate license except:

1. A borrower on own behalf
2. A family member of borrower for NO compensation
3. Lawyers engaged in practice of law. NOT a pop-up law office.

Federally insured lenders.

**Go to DRE's website for all the details on short sale fraud.

Department of Real Estate Forum Friday Jan 28th 1pm – 3pm

Stats: 7/1/10 to 12/31/10

- 100 license denials
- 471 disciplinary actions (77% are license revocations)
- 104 desist and refrain orders
- 269 Investigative Audits
- In 2010...1,800 real estate licenses were revoked

There are only 22 auditors for the work load

Note: You can go on the DRE website and click on “enforcement actions” button to see those who are under disciplinary action. DRE is working on being able to attach the documents that lead to the disciplinary action.

Housing Committee Thursday Jan 27th 8am – 11:30am

Hot Topics and action items this year:

HOA fees being charged to obtain HOA documents in a sale. As you may know HOA’s fees to obtain their documentation required to complete a sale with a loan have been going up drastically. In some areas of the state these fees are over \$1,000. A briefing paper will be introduced in our May CAR meetings.

“Right to Rent” in a HOA. CAR is looking to protect a homeowner to be able to rent their unit if at the time they purchased they were allowed to rent. This is in response to an HOA changing the rules after a particular unit is purchased, thus no longer being able to rent. A briefing paper will also be brought to the May CAR meetings on this topic.

Taxation and Government Finance Thursday Jan 27th 1pm – 2:50pm

Hot topics and action items this year:

Brown Act: CAR sponsoring a bill, required posting of Agendas and Staff Reports on the internet. The Brown Act currently says they must post these items visible to the public 3 days prior to a meeting. This means people need to go to the city office to see these items. Some cities are passing costly issues because there is no one there to oppose the issue.

Solicitations from non-governmental entities: CAR sponsoring bill AB 2654 (Hill) which will require private solicitors that resemble official documents to disclose they are NOT a governmental agency. Example: Offers to assist for a fee to help a homeowner apply for a county reassessment of property taxes.

Federal Committee Thursday Jan 27th 3pm – 5pm

Hot topics and action items this year:

Mortgage Interest Deduction (MID): as you may know the government is talking about removing the ability to write off mortgage interest from our income taxes in order to reduce the budget deficit. CAR & NAR will be fighting this topic vigorously.

FHA and GSE (aka Fannie Mea & Freddie Mac) loan limits. REALTORS® have successfully extended the current FHA & GSE limits on an annual basis since 2008. Congress extended those loan limits during the last session of Congress. However, usually Congress extended the limits for a full calendar year, this time they only extended them thru a fiscal year. This means the current loan limits will end September 2011. It is speculated that some GOP members of the House Financial Services Committee will begin the 112th session of Congress by attempting to reducing its loan limits and increasing the FHA down payment minimum or other possibilities.

For CVAR Members:

Legislative Committee Thursday Jan 27th 3pm – 5pm

Your leadership hard at work

Action Item:

CAR supporting: SB 2 (Calderon) Short Sale Facilitators: This bill will require that short sale negotiators MUST be paid by the person hiring them. No longer will a listing agent tell the buyer's agent that they will be paying for some or the entire short sale negotiator fee.

Transaction & Regulatory Committee Thursday Jan 27th 8am – 11:30am

Action Items:

CAR watching: Tax on Services: Government is hinting of the idea of taxing services. This means paying sales tax on all services which would include our commissions, title fees, escrow fees, NHD reports, Inspections etc. Basically everything we do in real estate would be considered taxable. Oh yes, then there is the headache of filing and paying the sales tax!

CAR sponsoring bill SB 407 (Padilla): A “water conservation spot bill” is proposed this year that would add the “water conservation disclosure” to our TDS. A new law coming to us Jan 1st 2017 will require that all single family homes be equipped with water conserving plumbing fixtures. Starting this process now and having the disclosure in our TDS before the law takes effect will insure REALTORS® are protected from non-disclosure. REALTORS® can point out this upcoming law to clients who are preparing to upgrade their homes before the law is in affect, thus saving them money in the long run.

CAR supporting: SB 53 (Calderon) Real Estate Omnibus:

1. **Fine and citation authority;** this would allow DRE to raise the citations on fix-it-tickets from \$1,000 to \$2,500.
2. **Access to DMV records;** this would allow DRE to access DMV records for the purpose of identification by photos and other information helpful in audited licensees.
3. **Escrow reporting threshold;** this will lower the threshold for brokering or servicing of notes from 8 to 5 a year before a Broker would need a Department of Corporations escrow company license.

Technical changes; this makes technical changes, such as clarifying that DRE can enforce a license sanction for a loan misconduct that has been made a license violation in the civil code.

CAR supporting: SB 6 (Calderon) Valuation Opinions (aka BPO's) This bill is to clarify a previous bill. Law is: An appraisal license is not required if an agent is performing a BPO with compensation flowing through the Broker. This means if an agent receives payment for doing a BPO directly without flowing through the broker, then it's a violation of the law.

****Note:** This is already a law, but is often NOT followed by employing brokers.

CAR supporting “Degree Broker” change. This would change the requirement of anyone applying for a broker's license with only a “degree” to have at least an undergraduate degree in Real Estate or have at least 2 yrs of actual real estate experience. Currently, any person with a 4 yr college degree in anything can apply for a broker's license without any real estate experience.

CAR supporting SB 62 (Liu); this would allow local governments to “postcard notice” homeowners anytime something is recorded against their property, such as liens and judgments.

CAR supporting SB 4 (Calderon) Notice of sale statutory disclosure; This is simply a warning to bidders that there may be loans senior to the loan foreclosure they are bidding on.

CAR sponsoring bill DRE Designated Manager Rule; Under current law, the Department of Real Estate (DRE) is technically only permitted to hold the broker of record accountable for any misconduct of a salesperson, even if the broker of record has delegated supervisory responsibility to an office manager. CAR will “SPONSOR” legislation to establish a

designated office manager requirement for those licensees managing real estate offices. Under this legislation, a broker of record would be permitted to appoint an eligible real estate broker or salesperson to supervise branch office operations, provided that a contract detailing the duties and responsibilities to be performed by the office manager is delivered to DRE. The bill will allow DRE to create an office manager registration and principal brokers to notify the DRE of their office manager appointment. DRE will also be permitted to subject office managers to disciplinary action for failing to properly supervise the licensed activities within their jurisdiction. Principal brokers will still be held responsible for the supervision of their designated office managers.

CAR sponsoring bill SM 1178 (Corbett) 2010; *CAR will* re-introduce SB 1178, which was vetoed by Governor Schwarzenegger. Anti-Deficiency rules protect a borrower from personal liability on a purchase money mortgage which goes into default and eventually judicial foreclosure. Due in part to declining interest rates, many purchase money mortgages have been refinanced and have lost their characterization as "purchase money". C.A.R. will "SPONSOR" legislation in 2011 to extend anti-deficiency protections to homeowners who have refinanced "purchase money" loans and are now facing foreclosure. The bill will extend anti-deficiency protections to cover the refinance of purchase money mortgages that include debt incurred to acquire, construct or improve the home. Any portion of a loan which was not used in the original acquisition, construction or subsequent improvement of the real estate property (i.e. vacations, education, hospital bills, vehicle purchases, etc.) will not enjoy the same anti-deficiency protections.

MASTERS CLUB APPLICATION IS DUE MARCH 4, 2011

Did you or one of your agents sell \$5 million this last year? Sign up for CVAR's Masters Club. Contact the Association today or go to www.cvar.org and click on Masters Club for more information and the application. CVAR will be doing a couple of additional things this year for our Masters Club members including red carpet treatment for Leg Day and a social media component.

Support those that support you! Check out www.cvar.org for a complete directory of all your Affiliate members

CVAR would like to send a special thank you to two of our sponsors for all the support!



Marcie Elliott, Executive Sales Associate, Property I.D. (209) 242-3500



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How to Successfully Sell HUD Homes

Join us for a Seminar on How to Successfully Sell HUD Homes

This event is FREE and all attendees will be entered into a Gift Card Drawing. Refreshments will also be provided.

The Presentation will include information from your local HUD listing brokers in San Joaquin County &

Ray Warda, Outreach Manager for BLB Resources Inc

Your Local HUD Brokers:

Steve Silva - Delta Properties of Stockton

Ron Cedillo - Home Buyers Realty of Tracy

Darrell Isaacs - Genesis Real Estate Group of Stockton

Karen Freeman - Innovative Realty of Stockton

Pat Holkesvig - Werner Properties of Stockton



**Search for HUD Homes online at
www.HUDhomestore.com**

CVAR also would like to thank two of our Association Sponsors. They help bring these events to you. Thank You Property I.D. & Platinum Home Mortgage

Information covered will include:

- An Overview of HUD Home process
- Detailed Explanation of Who Can Buy and Sell HUD Homes
- How to Obtain a NAID & Broker Registration
- The Correct Process to Bid and Submit Offers
- How to Write a HUD Sales Contracts
- How Selling Agents can Advertise HUD Homes

When: Monday February 28th

Location: University of Phoenix

17000 S. Harlan Rd. Lathrop

Time: 10:00AM—12:00PM

Register by email: rachel@cvar.org or
call 209.858.1700

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