



## **President's Message by Ruth A. Hayles**

***IF YOU SELL CONDOS  
WITH FHA FINANCING,  
OCCUPANCY RATIOS  
MAY HAVE BEEN A  
PROBLEM***

The President of the National Association of REALTORS® (NAR), Charles McMillan, has expressed grave concerns and written a letter to the Assistant Secretary for HUD, David Stevens. We (NAR) are recommending that FHA eliminate the occupancy ratio for FHA mortgages for all condominium developments. Most recently FHA reduced the occupancy ratio to 50 percent, from 51 percent; however, eliminating this requirement will allow more buyers to purchase units in condominiums and help stabilize these in the communities in which we work.

Currently Fannie Mae and Freddie Mac do not have occupancy ratios for condominium projects if the borrower is going to occupy the unit after purchase. NAR is recommending amending the FHA occupancy rules so bank-owned REO properties are no longer counted for the purpose of calculating occupancy ratios. Reducing the owner-occupancy ratio and not including bank-owned REO properties in the calculation will help condominium developments with significant percentages of REO properties (which are prevalent in our communities). This change in policy will align with the policies of Fannie Mae and Freddie Mac. It will attract buyers seeking FHA mortgages to condominium developments with available units for purchase while creating a level of continuity across the industry.

However, occupancy ratio is not the only problem facing buyers right now. NAR is also recommending amending the FHA concentration requirements. This means that no more than 30 percent of the total units in a project may have a FHA mortgage. As you know, condominiums are often the only option for first time buyers or borrowers with good credit but small down payments. By increasing the

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### **REMINDER:**

**RSAOR BROKER/MANAGER**

**MEETING & AIA Mini Expo**

**TUES OCT. 20, 2009—11:30 a.m.**

*Rio Hondo Event Center*

**Speaker: Gov Hutchinson**

**Assistant General Counsel/Staff VP  
California Assn. of REALTORS®**

*Event Free compliments of luncheon sponsors*

**RESERVATIONS MANDATORY**

**562-860-5656 or email-  
MaryR@rsaor.com DeeM@rsaor.com**

### **LUNCHEON SPONORED BY:**

Wells Fargo Home Mortgage, Downey; Property I.D., Laurie Contreras; First American Home Buyers, Stephanie Pagan; C.Gull Escrow, Lissa McLurg; SilverHut, Chuck Chekuri, First American Natural Hazard, Nelson Torres; Dee Sign Co., Alana Fugnetti; Kreaktion Printing & Signs, Alex Garcia

President's Message—Continued from page 1.

the concentration limit or temporarily suspending it, will result in a greater number of owner-occupied units because more borrowers will be able to use FHA in more condominium projects and you will be able to sell more of these units to your buyers.

By amending these rules for condominium developments will benefit the buyers, sellers and you, the REALTOR® in these real estate transactions. Lenders will have the opportunity to move REO properties off their books because more units will be eligible for buyers with FHA mortgages. Individuals and families purchasing units in these developments with FHA loans will have access to more flexible and affordable financing opportunities. Potential buyers with FHA mortgages will have a wider choice of condominium developments. Finally, existing owners in these developments benefit as vacant units are purchased and occupied and the owner-occupied ratio increases.

Last, but not least, more homeowner associations will then have more owners paying dues, which will preserve the integrity and preservation of the condominium developments.

The year is moving quickly, and soon I will be the past president. In the meantime, I am available to assist you as much as I can as your 2009 president. Please feel free to call me at 562-427-8626, 323-754-2818 or 213-700-3092 or send me an e-mail at [rahrealty@aol.com](mailto:rahrealty@aol.com) if I can be of service. See you at the next committee meeting or luncheon meeting.

*Ruth Hayles*



### GOOD BYE...

Long time RSAOR staff member Camesha Brasher said goodbye to staff and members including RSAOR President Ruth Hayles at her farewell lunch in

September. Camesha is following her heart and is pursuing a career in nursing. We wish her all the best.

### GOOD NEWS -Transfer Tax Bill Stalled!

C.A.R. opposed AB 827 (Yamada) which would permit counties to impose a recording "tax" of up to \$3 per property-related document to fund archival services. While this amount may seem small, it is only the beginning of what is anticipated to be a growing trend of taxing property-related services to fund all manner of local government expenditures. C.A.R. is troubled that sponsors of this legislation are attempting to circumvent local voters by calling this proposal a "fee," rather than what it really is – a tax. After a recent C.A.R. Red Alert, this week AB 827 was placed on the Inactive File by its author, and cannot be considered again until next year. This is another important victory for REALTORS® and their clients.



Thank you to everyone who responded to C.A.R.'s **Red Alert** by contacting your senator. **Your efforts made all the difference!**

### MEMBER NEWS...

It is with sadness that we report the passing of long time member Charles "Chuck" Johnson, on Sunday September 20 from Cancer. Our sincere condolences to family and friends.



### VIDEO CONTEST...

Were you able to help a first time homebuyer get into a home and take advantage of the \$8000 tax credit?

Why not make a video and enter it into the REALTOR® Action Center contest? Join other REALTORS® across the country that have entered submissions to the contest the best video will be shown at the NAR Annual Convention and Expo in San Diego.

Visit the REALTOR® Action Center YouTube channel to watch the other submissions and then upload yours!

[http://www.youtube.com/watch?v=A53DdKPRG3k&feature=player\\_embedded](http://www.youtube.com/watch?v=A53DdKPRG3k&feature=player_embedded)



Visit

[www.rsaor.com](http://www.rsaor.com)

For info., at the click of your mouse!



**What's in store for next year?** Check out the 2010 Real Estate forecast by CAR's Chief Economist Leslie Appleton Young.

<http://www.car.org/media/pdf/econpdf/10-07-09Forecastexpo-FINAL.pdf>

## LOAN MODIFICATION ATTORNEYS UNDER INVESTIGATION

The State Bar of California has recently launched numerous investigations against attorneys for misconduct related to loan modifications. In a rare move, the State Bar has released the names of 16 attorneys under investigation, by opting to waive investigation confidentiality in favor of public protection. These attorneys have allegedly taken fees for promised services, but failed to perform those services or even communicate with their clients who face the possible loss of their homes. Their non-attorney staff may also be under investigation for unlawfully practicing law.

Not all attorneys engaged in loan modifications are unscrupulous. However, this announcement from the State Bar serves as a good reminder for REALTORS® and their clients to be careful when dealing with attorneys and others for loan modifications. Scam artists may intentionally associate or affiliate themselves with attorneys in an attempt to lend credence to their fraudulent schemes. The list of attorneys currently under investigation is available at [http://calbar.ca.gov/state/calbar/calbar\\_generic.jsp?cid=10144&n=96395](http://calbar.ca.gov/state/calbar/calbar_generic.jsp?cid=10144&n=96395).

**ATTENTION REALTORS:** Please make an immediate phone call to protect your clients and your future.

**Call your Congressional Representative ASAP!**

If letter writing is not your thing, you can respond online and via phone—in fact, we'd love it if you would do both!

- 1) **Dial 1-800-961-3302**
- 2) **Enter your NRD's ID # to be directly connected to the office of your Congressional Representative**
- 3) **Tell your representative to vote for extending the First-Time Homebuyer Tax Credit.**

(If you don't know your NRD # enter nine 9's.)

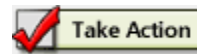
**Please ask any of your clients who have benefitted from this program to also call.**

**CAR Homebuyer Survey says...40% of first-time California homebuyers would NOT have purchased a home if the federal credit was not offered.**



## First-Time Buyer Tax Credit Extension Possible...

Bills to extend the maximum \$8,000 tax credit for first-time home buyers, which expires Nov. 30, are pending in both the U.S. House and the Senate.



Send a letter to the following decision maker(s):

**Your Congressperson  
Your Senators**

*Below is the sample letter:*

Subject: Homebuyer Tax Credit: Extend and Expand

Dear [insert decision maker name ]

As a Realtor® and a constituent, I can assure you that the \$8,000 first-time homebuyer tax credit has definitely been a success. Homebuyer interest and housing sales increased almost as soon as the ink was dry on the tax credit legislation. Today's lower prices and interest rates appeal to consumers, but it's been the tax credit that has attracted people to open houses and to homeownership.

That progress could grind to a halt sooner than you think. Congress must act NOW to extend the credit through 2010. Otherwise, uncertainty will return and the market might again be frozen -- possibly as soon as October.

A homebuyer is eligible for the tax credit only if the home is "purchased" before December 1, 2009. That means that buyers have to find a house, complete a contract, satisfy any contingencies, secure financing and go to closing by November 30. Accomplishing those tasks by November 30 will become more difficult with every passing day. In today's market, it generally takes between 45 and 60 days to go from contract to closing.

The market has improved, but it has not yet fully corrected itself. The credit needs to be extended for an additional period of time and expanded in order to build upon the progress that's been made. Uncertainty about the future of the credit will dampen consumer demand. The best way to assure continued housing activity is to extend and expand the credit and to do that NOW.

We can't wait until late in the year to see what happens. Consumers will drop out soon if they can't predict what's in their future. Please act NOW to extend and expand the credit through 2010.

Sincerely,

**RSAOR MEMBERS  
SEEN & HEARD!  
LACBOR LEGISLATIVE DAY**

(September 23, 2009)



Malcolm Bennett, RSAOR Treasurer, Fred Grant, President of LACBOR, Ruth Hayles 2009 RSAOR President and Real Estate Commissioner Jeff Davi at LACBOR Legislative Day—September 23, 2009

**GOLDEN R RECEPTION  
C.A.R. CONVENTION**

(October 8, 2009)



Ruth Hayles, Evelyn Arnold, Malcolm Bennett, Jennifer Ho, LeFrancis Arnold, Mike Teer (CREPAC Trustee) & Liz Fitzgerald (VC CAR Legislative Committee)



**APARTMENT  
ASSOCIATION  
TRADE SHOW  
(SEPT. 30, 2009)**

Jennifer Ho,  
Carol Chen &  
Ruth Hayles

**My Realty Agents:**



Frank Rodriguez &  
Ron Juarez

Alfred Linebarger  
Laura Navarro  
&  
Ron Flores



Ron Juarez,  
Yvonne Dowland  
Ralph Barahona



RSAOR Treasurer Malcolm Bennett &  
2009 RSAOR President Ruth Hayles

**Seen, heard and well received!**



*Evelyn and LeFrancis Arnold*



*Alex & John Torres*

RSAOR member and 2011 CAR President-Elect Candidate LeFrancis Arnold was hot on the campaign trail at the recent CAR Expo in San Jose



*Alain Chiang & John Torres*

Promising to be a 'hands-on' president, LeFrancis hosted a booth on the Expo floor and also invited attendees to a champagne and ice-cream social.



Over 400 people turned out for the event and attendees heard accolades from an impressive line-up of supporters including many past CAR Presidents and industry leaders.

**www.LeFrancis2011.com**



**October**

**Live On-Line Training Schedule Evening Classes Now Available!**

Learn from the comfort of your home or office.

**Register now for SoCalMLS's on-line classes**

<http://socialmls.frogpond.com/DispCalendar.cfm>

SoCalMLS help line 714-517-2600 or 800-995-2600.

**Two RSAOR members\* are running for the ABC Unified School Board.**



*Please give them your support. You are invited to attend a candidates forum hosted by the Cerritos Chamber of Commerce.*

**CANDIDATES FORUM**

*Cerritos College &*

*ABC Unified School Board Races*

**THURS, OCTOBER 22, 2009**

**6:00 pm - 8:00 pm.**

Cerritos High School - Brewer Theatre

12500 183rd St - Cerritos

**INVITED CANDIDATES:**

**ABC Unified School Board Race**

**Olympia Chen\***

**James Kang\***

David Montgomery

Mark Pulido

David Shaffer

**Cerritos College Board Race**

Carmen Avalos

Tom Chavez

Bob Epple

Bob Hughlett

Shin Liu

*The event is free and open to the public -*

***No reservations are needed***

**Contact the Cerritos Chamber:**

Phone: 562/467-0800

Email: [catherine@cerritos.org](mailto:catherine@cerritos.org) [www.cerritos.org](http://www.cerritos.org)



**EDUCATION  
CALENDAR  
OCTOBER 2009**

**Friday, Oct 16th**

**What the Lenders are Looking for Now!**

Presented by: Bob McManus

9:30am-12:00pm

RSVP To: 888-554-5563 Cost: FREE

**Wednesday, Oct 28th**

**Is Credit Repair Legal?**

Presented by: Linda Martinez

10:30am-12:00pm

RSVP To: 562-754-3961 Cost: FREE

**Thursday, Oct 29th**

**1031 Exchange seminar**

Presented by: Phil Atwan

9:00am-12:00pm

RSVP To: 562-860-5656 ext.108 Cost: FREE

(Dates subject to change.)

**Contact** – RSAOR MLS / Education Coordinator,  
Leticia Lopez 562.860.5656 ext. 108

[lettyl@rsaor.com](mailto:lettyl@rsaor.com)



**October 22<sup>nd</sup>- 1-3 PM**, Dirk Zeller presents

***Recession Proof Your Business-***

Topic: How to move your real estate business forward as the industry evolves due to changes in regulations, loan requirements and an overall economic roller coaster. Cost: \$29.95- Includes \$30.00 gift if registered by October 17<sup>th</sup>.

**October 28<sup>th</sup>- 10-11 AM**, Jack Lindberg presents

***Social Media...Make the Most of It!***

Topic: Hear from the author of *Facebook for Real Estate*, *LinkedIn for Real Estate* and *Twitter for Real Estate* on how to draw clients to you. Cost: \$12.95- Includes \$24.95 gift if registered by October 23<sup>rd</sup>.

[www.onlined.com](http://www.onlined.com) click on webinars.

**Ethics Corner— Article 3**

**REALTORS® shall cooperate with other brokers except when cooperation is not in the client's best interest. The obligation to cooperate does not include the obligation to share commissions, fees, or to otherwise compensate another broker. (Amended 1/95)**

**Standard of Practice 3-1** REALTORS®, acting as exclusive agents or brokers of sellers/ landlords, establish the terms and conditions of offers to cooperate. Unless expressly indicated in offers to cooperate, cooperating brokers may not assume that the offer of cooperation includes an offer of compensation. Terms of compensation, if any, shall be ascertained by cooperating brokers before beginning efforts to accept the offer of cooperation. (Amended 1/99)

**Standard of Practice 3-2** REALTORS® shall, with respect to offers of compensation to another REALTOR®, timely communicate any change of compensation for cooperative services to the other REALTOR® prior to the time such REALTOR® produces an offer to purchase/lease the property. (Amended 1/94)

**Standard of Practice 3-3** Standard of Practice 3-2 does not preclude the listing broker and cooperating broker from entering into an agreement to change cooperative compensation. (Adopted 1/94)

**Standard of Practice 3-4** REALTORS®, acting as listing brokers, have an affirmative obligation to disclose the existence of dual or variable rate commission arrangements (i.e., listings where one amount of commission is payable if the listing broker's firm is the procuring cause of sale/lease and a different amount of commission is payable if the sale/lease results through the efforts of the seller/ landlord or a cooperating broker). The listing broker shall, as soon as practical, disclose the existence of such arrangements to potential cooperating brokers and shall, in response to inquiries from cooperating brokers, disclose the differential that would result in a cooperative transaction or in a sale/lease that results through the efforts of the seller/landlord. If the cooperating broker is a buyer/tenant representative, the buyer/tenant representative must disclose such information to their client before the client makes an offer to purchase or lease. (Amended 1/02)

**Standard of Practice 3-5** It is the obligation of subagents to promptly disclose all pertinent facts to the principal's agent prior to as well as after a purchase or lease agreement is executed. (Amended 1/93)

**Standard of Practice 3-6** REALTORS® shall disclose the existence of accepted offers, including offers with unresolved contingencies, to any broker seeking cooperation. (Adopted 5/86, Amended 1/04)

**Standard of Practice 3-7** When seeking information from another REALTOR® concerning property under a management or listing agreement, REALTORS® shall disclose their REALTOR® status and whether their interest is personal or on behalf of a client and, if on behalf of a client, their representational status. (Amended 1/95)

**Standard of Practice 3-8** REALTORS® shall not misrepresent the availability of access to show or inspect a listed property. (Amended 11/87)