



Sponsors



Director Resources

[AE Center](#)

[NAR Association
Policy Updates](#)

[INS: Past Reports](#)

[NAR Press Releases](#)

[REALTOR® Magazine
Daily News](#)

[REALTOR® Association
Resource Exchange](#)

[Quadrennial
REALTOR® Ethics
Training
Online Course](#)

Top Stories

January 27, 2010

**Impact Weighed on High Court Political Ruling
December Sales Down, Prices Up; 2009 Sales Up
NAR Donating \$550,000 to Haiti Relief
Distinguished Service Award Nominations Open
REALTOR® Emeritus Candidate Forms Due
FHA Imposes Floor for 3.5 Percent Down
NAR Stresses Affordability on Health Bills
Mortgage Cancellation Relief Still in Effect**

NAR News

Impact Weighed on High Court Political Ruling

The U.S. Supreme Court last week swept away a long-standing prohibition on direct political spending by corporations but it will take time before the full force of the ruling is clear, say NAR legal analysts. Under *Citizens United v. Federal Election Commission*, corporations can spend without limit on ads for or against candidates during an election as long as their efforts are undertaken independently of political campaigns; prior to the ruling, corporations were required to set up separate political funds using only personal contributions from corporate employees. Corporations were prohibited from using corporate treasury funds for political communications. NAR continues to analyze the ruling. For more info contact Ralph Holmen, rho1men@realtors.org, 312/329-8375.

December Sales Down, Prices Up; 2009 Sales Up

After a surge from September through November, existing-home sales fell as expected in December after first-time buyers rushed to complete sales before the original November deadline for the tax credit, [NAR says](#). However, prices rose from December 2008 and annual sales improved in 2009. Single-family, townhome, condo and co-op sales fell 16.7 percent to a seasonally adjusted annual rate of 5.45 million units in December from 6.54 million in November, but remain

15.0 percent above the 4.74 million-unit level in December 2008. For all of 2009 there were 5,156,000 existing-home sales, which was 4.9 percent higher than the 4,913,000 transactions recorded in 2008; it was the first annual sales gain since 2005. [Watch, link to, or embed video](#) of NAR Chief Economist Lawrence Yun's press conference on the latest figures.

NAR Donating \$550,000 to Haiti Relief

NAR is contributing \$550,000 to relief of victims of the Haiti earthquake, and is calling upon its 1.2 million members to help. "REALTORS® help build communities and there is no better time than now to do that in Haiti," says NAR President Vicki Cox Golder. NAR is donating \$500,000 to the Clinton Bush Haiti Fund and another \$50,000 has already been donated to The Harvest of Haiti, founded by a 2007 winner of REALTOR® Magazine's Good Neighbor Awards, Patrick Moore. Moore's humanitarian outreach program in Haiti supports orphans, delivers clean water, and provides medical care to more than 3,500 people a year.

Part of the NAR fund came from Lowe's, a partner of NAR's REALTOR Benefits® Program, which contributed \$100,000 that was matched by NAR. Make a [donation](#).

Distinguished Service Award Nominations Open

Directors: Nominations are open for the [2010 Distinguished Service Award](#). Nominees must meet all of the eligibility criteria and the completed form must be mailed by March 15 to Alisa Thompson, c/o NAR, 430 North Michigan Avenue, Chicago, IL 60611. Separately, include a high-resolution digital photo of your nominees to athompshon@realtors.org. For more info contact Alisa Thompson, athompson@realtors.org, 312/329-8415.

REALTOR® Emeritus Candidate Forms Due

AEs were told in an earlier communication that April 16 is the deadline to complete certification forms for REALTOR® Emeritus status, which recognizes REALTOR® and REALTOR®-Associate members with 40 years of continuous membership. Certified REALTOR® Emeritus members receive a waiver of their dues to the national association and are exempt from the quadrennial ethics training requirement. Certification forms are approved at the 2010 REALTORS® Midyear Legislative Meetings in Washington D.C. The dues waiver does not take effect until the following dues season. Information, forms, and eligibility requirements are [online](#). For more info contact Mary Glick, mglick@realtors.org, 800/874-6500, ext.8831.

Issue Updates

FHA Imposes Floor for 3.5 Percent Down

[FHA last week announced](#) major underwriting changes to strengthen its reserves while maintaining the agency's critical

position in the mortgage market at a time when its federally backed loans comprise about 40 percent of the market. Among the changes: an increase in the up-front mortgage insurance premium by 50 bps to 2.25 percent; a FICO credit score floor of 580 for borrowers to qualify for the agency's 3.5 percent minimum down payment (other borrowers must put down a 10 percent minimum); and a reduction in seller concessions from 6 percent to 3 percent of the mortgage amount. Access [NAR's brief](#) on FHA credit issues. Separately, the increase in the FHA up-front mortgage insurance premium and efforts to heighten enforcement against bad lenders are fleshed out in [Mortgagee Letter 2010-02](#) and [Mortgagee Letter 2010-03](#), respectively. For more info contact Jerome Nagy, jnagy@realtors.org, 202/383-1233.

NAR Stresses Affordability on Health Bills

Lawmakers continue to work on melding the House and Senate health reform bills approved late last year into a compromise measure. Among issues to be resolved: 1) whether to include a single national exchange or a system of individual state-based exchanges), 2) final thresholds for high-cost health insurance plans subject to a proposed excise tax paid by insurers, and 3) Medicaid eligibility income thresholds. Once crafted, the bill's costs and impact must be analyzed by the Congressional Budget Office. A final bill must be approved by both houses. In its most recent communications to lawmakers and staff, NAR is [stressing](#) the importance of improving the affordability of policies available through the exchange by providing small nonprofit employers with access to the same affordability credits available to small nonprofit employers, and the need for equitable payroll tax treatment of health insurance premiums for the self-employed. For more info contact Marcia Salkin, msalkin@realtors.org, 202/383-1092.

Mortgage Cancellation Relief Still in Effect

Federal tax relief for cancellation of mortgage debt was due to expire Dec. 31, 2009, but the economic rescue bill enacted toward the end of 2008 extended it to Dec. 31, 2012. Some members have expressed uncertainty over the status of the law, so if you get questions, the answer is that it remains in effect. For more info contact Linda Goold, lgoold@realtors.org, 202/383-1083.

Congress Allows Estate Tax Repeal

Lawmakers failed to iron out details of legislation to prevent repeal of the state tax, which took effect on Jan. 1, so the estate tax is now repealed, although by law it will return on Jan. 1, 2011, at the same tax rate that was in effect prior to passage of the repeal law, which was in 2001. Some exemptions and other provisions will take effect in 2011 as well. For persons that pass away this year, their estate can be transferred to their heirs tax-free, but the value of the assets in the hands of the heirs will be carried over from the original owner's basis. No guidance is provided for heirs where determining carryover basis isn't clear. If the heirs sell the assets, they'll have to pay capital gains tax at

the rate in effect at the time of the sale. Some lawmakers say they will try to get the estate tax reinstated this year and possibly made retroactive to Jan. 1, but there remain questions about the legality of retroactivity applied to the repeal. NAR supports repeal but doesn't support the use of carryover basis for heirs. For more info contact Linda Goold, lgoold@realtors.org, 202/383-1083.

Flood Insurance Extended Through February

Authority for the National Flood Insurance Program (NFIP) was extended for two months in appropriations legislation recently signed into law . This gives Congress until Feb. 28 to continue considering reforms to the program, which is integral to property owners in federally designated flood-prone areas. NAR continues to work with Congress to extend the program until long-term reauthorization and reform measures are enacted. For more info contact Austin Perez, aperez@realtors.org, 202/383-1046.

New Resources

NAR and Partner Aid Foreclosure-Hit Neighborhoods

Directors: Local associations were invited to [participate](#) in a joint effort by NAR and the National Community Stabilization Trust to help rebuild areas devastated by the foreclosure crisis. Under the partnership, projects tap funds from the new federal Neighborhood Stabilization Program, which provides \$6 billion to reclaim neighborhoods hit hard by high levels of foreclosed and abandoned property, disinvestment, extremely low prices, and low resident confidence. "This ambitious new campaign will harness the unique abilities of REALTORS® to remarket newly renovated homes and to rebrand the tarnished image of hard-hit neighborhoods," says Craig Nickerson, president of NCST.

Understanding Self-Directed IRAs

Retirement on your mind? Participate in a [free webinar](#) on using self-directed IRAs for growing retirement savings in a way that takes advantage of your expertise in real estate. A veteran manager of self-directed IRAs explains why you might consider using a portion of your IRA funds to invest in real estate and how to make that happen in a REALTOR® Magazine webinar that's provided free under Right Tools, Right Now.

Video Walk-Through of New GFE, HUD-1

An [11-minute video](#) you through page-by-page of the new Good Faith Estimate and HUD-1 settlement form. The revamped forms took effect Jan. 1. The forms are intended to make comparison shopping easier for settlement services and mortgage financing. Initial industry reactions are that the forms are not that straight-forward to fill out. Although mortgage originators typically fill out the GFE and settlement agents typically fill out the HUD-1, sales associates are the ones that

get all the questions from consumers.

Will Federal Short-Sale Rules Speed Deals?

Lenders have until April 5 to implement procedures for complying with federal short-sale guidelines released in November. In a [video interview](#) with REALTOR® Magazine, NAR Managing Director of Regulatory Policy Jeff Lischer walks your members through the new rules and the forms that go with them, and shares his assessment of what their impact could be.

Risk-Based Pricing Rules Issued

The Federal Trade Commission and the Federal Reserve have issued [final rules](#) implementing risk-based pricing under the Fair and Accurate Credit Transaction Act (FACT Act). The rules require a creditor to provide a risk-based pricing notice to a consumer when the creditor uses a consumer report to grant or extend credit to the consumer on terms that are materially less favorable than the most favorable terms available to a substantial proportion of consumers from or through that creditor. The rules will take effect Jan. 1, 2011. For more info contact Jeff Lischer, jlischer@realtors.org, 202/383-1117.

Legal

9th Circuit says Rehabilitation Act Covers Independent Contractors

A 1973 federal law protecting employees from disability discrimination, called the Rehabilitation Act, applies to independent contractors, the United States Court of Appeals for the Ninth Circuit [ruled](#), reversing the trial court. The case involved a hospital that refused to hire, without some restrictions, an anesthesiologist whose medical condition required certain schedule accommodations. With the ruling, the court joins the 10th Circuit in say independent contractors are protected by the act. Two other circuits—the 6th and the 8th—have said on past rulings that independent contractors aren't covered.

Broker Wins Commission Lawsuit

An owner was found to have acted in bad faith by engaging a broker at a lower commission for the sale of a property that had been brokered earlier by another broker, the [Supreme Court of Wyoming ruled](#), affirming the trial court's award of a commission and also determining that the broker was entitled to receive his attorney's fees. The court rejected the owner's argument that the first broker's contract extension was invalidated because the broker failed to attach required agency disclosure forms. The court called that a technicality that put form over substance because the broker had attached the disclosure to their first contract.

Federal Court Upholds Point of Sale Inspection

An ordinance requiring a "point of sale" inspection and a

certificate of compliance before a home can be sold isn't unconstitutional, [says](#) the United States Court of Appeals for the Seventh Circuit, rejecting a challenge by property owners. The owners say the inspection requirement doesn't give them adequate due process before interfering with their property ownership. But the court says the city has adequate measures in place, including an appeals process.

Freddie Mac: Agent-Appraiser Communication OK

Real estate practitioners are permitted to communicate with appraisers, but information provided by them must be verified by a non-interested third party and this may include MLS data or local tax data, says Freddie Mac Executive Vice President and Chief Credit Officer Raymond Romano. Romano addressed the communication issue and others, including geographic competency, in a [Jan. 14 letter](#) to NAR. For more info contact Jeff Lischer, jlischer@realtors.org, 202/383-1117.

2011 NAR Slate of Officers Announced

Directors: The following information was provided to AEs earlier this month: The Nominating Committee in early January announced the following slate of officers for the NATIONAL ASSOCIATION OF REALTORS® for the year 2011: President: Ronald Phipps, GRI, CRS, Warwick, R.I.; President-Elect: Maurice "Moe" Veissi, South Miami, Fla.; First Vice President: Gary Thomas, Aliso Viejo, Calif.; Treasurer: Michael C McGrew, CRB, CRS, Lawrence, Kans. The Nominating Committee's slate for 2011 will be voted on by the NAR Board of Directors at the 2010 Midyear Legislative Meetings in Washington, D.C., May 15. For more info contact Idis Morales, imorales@realtors.org, 312/329-8870. View the complete slate of 2011 elected officers and regional vice presidents on REALTOR.org.

Report compiled by [Robert Freedman](#), 202/383-1012. NATIONAL ASSOCIATION OF REALTORS®

E-mail Subscription Services

[Unsubscribe](#) from this e-mail newsletter.

[Manage E-mail Preferences](#) To change your e-mail address, or manage your subscriptions, please log in to your REALTOR.org account. Your REALTOR.org username is bsnowden.

[Customer Support](#) Visit our customer support page for help with your account.

[Advertising Inquiries](#) Learn how you can advertise in this e-mail newsletter.

[Privacy Policy](#)



THE NATIONAL ASSOCIATION OF REALTORS®

Headquarters: 430 N. Michigan Ave., Chicago, IL 60611 | 1 800 874 6500

DC Office: 500 New Jersey Ave. NW, Washington, DC 20001