

The Realtor's® Gazette

A Publication For Members of the Greater New Bedford Association of REALTORS®
www.grnbar.org

Upcoming CE Courses

October 27th ~ Full Day of Continuing Education Classes

November 23rd ~ Full Day of Continuing Education Classes

Classes run from 8am to 8pm and are 2 hours each (You can choose to attend all or just specific classes)

Upcoming Courses

- October 12th and 13th ~ GRI 301
- October 26th ~ New Member Orientation

Upcoming General Meetings

- November 16th ~ GrNBAR Annual Membership Meeting

ON THE HOMEFRONT

GrNBAR

On The Homefront

We are very pleased to announce the following slate of officers and directors for both GrNBAR and SEMA MLS for 2005. A notice was sent out to all members with the recommendations from the Nominating Committee for all open positions. We did not receive any declarations of candidacy from any other eligible members, therefore these members will be voted into office by one vote by the secretary of GrNBAR and SEMA at the next meeting of their Board of Directors.

GRNBAR 2005 Officers & Directors

President	Roger Canto
President-Elect	Monica Dupre
Treasurer	Rita Arsenaault
Secretary	Paul Beauchamp
Past President	Judy Perry
MLS President	Linda Hopps
Directors	Jocelyn daLuz
	Edie DeBalsi
	Steve Ferreira
	Cheryl Gray
	Pauline J. Teixeira
	George Tripp
	Anne Whiting

SEMA MLS 2005 Officers & Directors

President	Linda Hopps
President-Elect	Ralph Grassia
Treasurer	Laurie Wilkey
Secretary	Melissa Edwards
GrNBAR President	Roger Canto
Directors	Bette Hamilton
	Steve Lewin
	Claire Lewis
	Lori Nery

In Other News... Our new website is up and running. We are very excited about the new look and invite you to log on to www.grnbar.org, to let us know what you think.

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GOVERNMENT AFFAIRS

Government Affairs Committee

MAR Praises Inclusion of Agency Initiative in State Budget

Waltham (MA) – The Massachusetts Association of Realtors® (MAR) today praised legislative leaders and Governor Romney for acting to clarify the relationships between consumers and real estate professionals when conducting a real estate transaction. Language providing guidelines and calling for creation of applicable regulations has been included as part of the state's final budget. "We are thrilled that this issue has been addressed in a meaningful way" said MAR President Judy Moore. "We're very pleased that our state legislators and Governor Romney have chosen to join the majority of states that already provide clear guidelines to consumers." he language in the final budget outlines permissible relationships and directs the Board of Registration of Real Estate Brokers and Salespersons to define those relationships. Further, the Board will identify disclosures real estate practitioners must make in their relationships with buyers and sellers when conducting a real estate transaction. In particular, the language creates clear guidelines for the practice of facilitation, sub-agency, and designated agency. "With this action, Massachusetts is transformed from a state with some of the most vague and confusing regulations to one that provides clear, informed consumer choice," observed David Drinkwater, chairman of the association's Agency Committee and a MAR past president. MAR, a real estate industry trade association with 19,000 members, spent the past three years studying the problems with current law and developing a solution to the challenges that consumers and licensees currently face. The final language included in the budget is consistent with the policy recommendations that MAR supports. "The passage of this measure gives consumers and real estate professionals what they want and deserve -- clear representation options when purchasing a home or property," Moore remarked. "We are confident that over the next 12 months the Board of Registration will implement regulations that will make the promise of this new measure a reality in Massachusetts."



THE PRESIDENT'S CORNER

By: Judy Perry, President

Property Disclosure is sometimes unclear. What does a REALTOR® need to disclose by law? Most real estate agents know that they are required by law to disclose any known property defect. Even if you are not asked about property defects, you must disclose them to the buyer.

Massachusetts does not have property condition disclosure laws for property owners although voluntary property condition disclosure does occur in the state. Thirty states have passed such laws. The Massachusetts Consumer Protection Act does require all real estate licensees, both seller and buyer agents, to disclose any property defects or conditions that may influence the buyer in his/her decision to buy the property.

What about offsite problems? In 1997, the Massachusetts Supreme Judicial Court decision states, a broker's duty to disclose offsite problems is limited to physical conditions known to the seller but not necessarily observable by the buyer, and which are sufficiently material and may affect the value and/or use of the property. For example: If there is a known superfund site within a close proximity to the property.

In 1998, Massachusetts enacted the stigmatized property law that states concerns about AIDS or HIV of current or previous owners are not to be answered by agents because these people are a protected class under the Federal Fair Housing laws. Real estate agents also have no obligation to disclose or investigate if a listing has been the site of a murder or suicide or has been inhabited by ghosts. Unlike the AIDS/HIV situation, agents must answer questions from the buyer about such stigmas in honesty.

Realtors who factually misrepresent a physical or psychological feature known as part of the property's history, or mislead a buyer with their answers, open themselves to legal liability and expulsion from the association due to violations of the Code of Ethics.

BANKING ON IT

Lender's Committee

From: Susana Neves-Coito and Claire Lewis

FLIPPING – BEWARE

The new hot topic amidst the real estate market is “flipping”. As I researched this topic on the internet, I discovered mostly web titles such as “You too can make \$97,645 in just 7 months fixing up 4 cheap little houses”. Once into the web site, the premise was to show me to “legally” use flipping for a fee. This was only one of the thousands of sites all dedicated to educate for a fee.

The definition of “flipping” is when an investor buys a home below market value then shortly thereafter sells it for more than market value. This is done by the investor working with unscrupulous realtors, appraisers and or lenders. The investor along with the real estate agents search for a buyer who needs a home but believes that they can't afford or qualify for a mortgage loan. Once they have the buyer trusting them they arrange for a mortgage loan to cover the inflated sales price with a false appraisal and many times the income and assets of the buyer are exaggerated to make them qualify for the mortgage loan. The buyer walks away with a home that is not worth the loan amount and more than often they cannot afford to pay the inflated monthly payment.

Due to these practices, the Federal Housing administration effective June 2, will no longer insure mortgages on properties that have been sold more than once in 90 days. If sales have occurred between 90 to 180 days and the purchase price exceeds the old price by 50%, the lenders will require additional information. In localities where HUD determines an inordinately high number of offenses have occurred or substantial abuses is taking place a second appraisal will be required. In addition to these time restrictions HUD says that buyers will be eligible for FHA insured mortgages only when they purchase their homes from the owners on record. HUD considers “flipping” a major problem and because FHA insured mortgages are considered the financing of last resort for low to moderate income and immigrant borrowers, they became the first to put steps in place to stop this predatory practice. The sad part is that it only applies to FHA right now but that too may change.

There are ways to prevent “flipping”. The first is to get all the facts. The realtors should properly value the property they are marketing and the consumer should investigate the value. The buyer should get legal advice before signing a purchase and sales. They should also review the mortgage documents and ask questions. Every buyer should be given the opportunity to call several places for a mortgage and not just depend upon the one name given to them by the seller or realtor. The buyer should review the information on the mortgage documents to be sure that it is correct and accurate. Never sign blank documents. A certified home inspector should inspect the property. Any changes or additions from the seller should be handled in writing. If at all possible attend first time buyer classes and educate yourself.

There will always be a get rich scheme out but protect and educate yourself. Realtors should beware to fall for the scams that ask for a fee upfront before they give you information. Buyers should ask questions and educate themselves. Lenders should give accurate information and copies of documents to borrowers. Appraisers should use accurate information especially the comparables to establish a good market value. If all the players abide by the rules “flipping” will no longer be an issue. Just remember the one fact – if it sounds too good to be true it usually is.

SEMA MLS UPDATE

Anne Arruda

Paragon 3 is coming!

The contract with our MLS vendor, FNIS has been signed. With changes needing to be made to the contract the upgrade had been delayed. We hope to have Paragon 3 in place by late November early December. Some new features will include:

- An online system comparable to the H3 system (PIN).
- Access to tax records for Bristol county.
- Direct email and auto delivery to clients.

Software available for members to work off line. Mark your calendar. The association will be holding mandatory training sessions during the first two weeks in January for all members and support staff. If you are familiar with Paragon attend the upgrade session. If you have never used Paragon now is the chance to get acquainted. More information will follow regarding dates and times.

AROUND THE STATE

MAR Website

MAR conference will be biggest in 3 years

The largest crowd in three years is expected to attend the MAR Professional Development Day conference when it is held this week at the Sheraton Hotel in Framingham on October 7th. What's the attraction? This year's program is filled with seminars that address changing market practices, emerging demographic trends, and new business tools that are shaping the real estate industry.

In all, the MAR conference will feature over one dozen educational seminars and an industry trade show – offering attendees a terrific opportunity to learn from some of the nation's top real estate trainers, acquire continuing education credits for license renewal, and view the latest products and services available to the real estate industry from local and national exhibitors.

Whether you are new to the real estate business or an industry veteran, you'll find many sessions designed to boost your bottom-line, including several skill-building seminars that will offer instruction on how to negotiate more effectively, develop superior lead generation skills, and spend wisely on technology that can both improve efficiency and productivity. Additionally, you'll have the opportunity to attend sessions on "Selling to Generation X," "Establishing Value for Your Services," and a variety of legal and ethics issues, including buyer agency.

Featured speakers include well-known real estate trainers Bernice Ross, Jerry Rossi and Terry Watson. In addition, NAR Senior Economist Lawrence Yun will deliver an opening address, entitled *What to Expect from the Bay State Housing Market in 2005*.

Registration is just \$125 for MAR members. For a full schedule of seminars or to register, visit the [conference home page](#) in the Professional Development section of MAR's website, marealtor.com, or call 800-725-6272.

Mass. Homes Sales Slip, But Condo Sales Climb In August

Sales of detached single-family homes in Massachusetts fell for the first time in six months in August, declining 0.5 percent from year ago levels, but condominium sales remained strong improving for a 16th consecutive month, as sales rose 22.1 percent in August over the same month in 2003. Even though demand in the single-family market eased, prices continued to climb, with the statewide median selling price for detached homes increasing 12.4 percent in the last year to \$358,000 this past August. Condo prices also rose sharply, with the statewide median selling price up 14.1 percent from last August to \$273,900 in August 2004.

ON THE NATIONAL SCENE

NAR Website

Effort to ban banks from real estate activities advances

For a third year in a row, the U.S. House of Representatives has passed legislation that would prohibit the U.S. Treasury Department from finalizing a proposed rule that would permit large national banks and their financial subsidiaries from entering the real estate brokerage, leasing and property management businesses. The Transportation/Treasury Appropriations bill precludes the Treasury from using any funds to implement its draft bank rule during the 2005 fiscal year, which begins this month. The bill is important to the real estate industry because similar protections adopted by Congress last year expired on September 30th, when the federal government's 2004 fiscal year ended.

In the U.S. Senate there is also strong support to preserve the separation of banking and commerce. In fact, the Senate Appropriations Committee has approved its own FY 2005 Transportation/Treasury bill which includes language that would impose a permanent ban on national banks and bank holding companies from engaging in real estate activities. This measure is now awaiting action on the Senate floor.



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WE'RE ON THE WEB!
WWW.GRNBAR.ORG

UPCOMING EVENTS

November 2004

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16 GrNBAR's annual membership mgt.	17	18	19	20
21	22	23 Full Day of Continuing Education	24	25 Thanksgiving Holiday Office Closed	26 Thanksgiving Holiday Office Closed	27
28	29	30				

WELCOME

NEW REALOR MEMBERS:

- | | |
|--------------------|-----------------------------|
| Kristine Arsenault | Fidelis, The Buyer's Agent |
| Nancy Hinkley | Suzette & Associates |
| Maurino Isidoro | Bay View Real estate |
| Sandra King | Water Street Realtors |
| Philip Layne | Ronnie Glassman R.E. |
| Sandra Martin | Pomeroy Associates |
| Robert Medeiros | Amaral Resendes Realty |
| Chad Mello | SouthCoast Realty |
| Andrea Moyer | C-21 Hughes & Carey |
| Chitra Murali | Gold Star Realty |
| Keith Newell | Mel Antonio Real Estate |
| Madeline Perry | Diana Henry Real Estate |
| Robert Pollock | R.P. Valois Real Estate |
| Mary Simpkin | Canto Real Estate |
| Antone Sousa | Regal Realty |
| Mistral Thompson | J.P. & Sue Real Estate |
| Plamen Tchimev | Coldwell Banker Hopps |
| Marilyn Urquhart | Prudential Linn Real Estate |