

INLAND VALLEYS REALTOR®

THE OFFICIAL PUBLICATION OF THE INLAND VALLEYS ASSOCIATION OF REALTORS®



IVAR Election Winners

FOR MORE INFORMATION GO TO PAGE 10

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JULY 2014

Table of Contents

COLUMNS

4	President's Message
5	MLS Rules & Regulations Policy Class
6	Government Affairs Update
8-9	IVAR Casino Night & Mixer Photos
10	IVAR Director Elections Winners
12-17	MLS Region Report Inland Valleys
18	C.A.R. Realegal Newsletter
20	C.A.R. Realegal Newsletter
22	C.A.R. to Publish Code Violators
24	Housing Policy Committee
25	IVAR Calendar

ADVERTISERS

Primary Residential Mortgage	3
Wells Fargo	5
American Pacific Mortgage	7
Las Brisas Escrow	7
Law Offices of Barry Lee O'Connor.....	7
Provident Bank.....	11
Termite Guy.....	19
AmeriSpec	21
Outlook Escrow.....	21
South Pacific Financial.....	21
Primary Residential Mortgage	23

Pages 8-9

**IVAR Casino
Night Photos**



Celebrating Freedom and those who provide it



We are all grateful for the freedom we enjoy and the high price that has been paid and continues to be paid every day by our brave men and women in uniform. I'm grateful for my husband being an Air Force Veteran. Now for the soap box part... With this priceless gift of freedom we enjoy, please join me in pondering this 4th of July, are we living worthy of that gift? Are we making the most of our freedom in this country?

I'm proud to serve in an industry that helps my fellow Americans achieve owning their own piece of the greatest country on planet earth and create a legacy for their family. To all of you with whom we do business, it's an honor to serve with you. To those of you that provide our protection and freedom, I am forever in your debt.

Gratefully,
Nancy

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When Serving Our Clients, the Learning Never Stops



STEVE ORBAN,
2014 IVAR PRESIDENT

In our business, you might never change your values, your work ethic or the core ideas that drive how you serve your clients and manage your business. However, everything else changes – like it or not – and us with it. Or else.

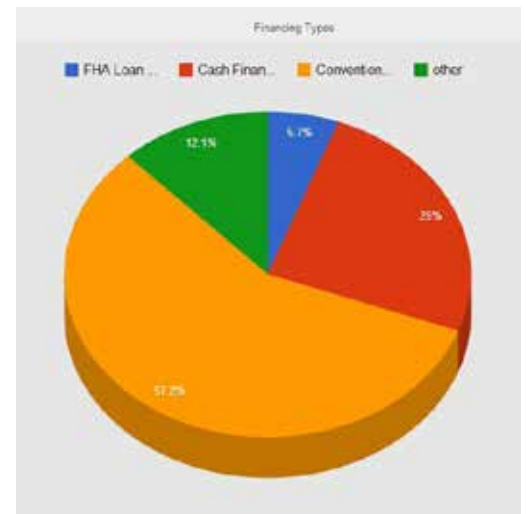
That's why IVAR works so hard to keep our members informed. Whether it's in-person training, this e-magazine, informative emails, promoting online training from CAR and NAR or just the news pieces and updates we send out through Twitter and Facebook daily, we try to play a part in giving you the tools you need to stay up to speed.

The rules of the game are constantly changing. The lending environment shifts course regularly. Each year we see new laws that affect disclosures, communications with clients and some of the basics of getting a deal done. Tax laws shift. New court cases change the things we need to do to protect our businesses from needless litigation. New technology makes you more productive and competitive (assuming, of course, that you invest the time to make use of the improvements).

The list just expands from there. The market shifts constantly. Consumer preferences shift. In the past couple of years, the median age of homebuyers has gone from mid 30s to the late 40s. How does that affect the way you market your business and your listings? Two years ago, making a living in real estate meant understanding short sales and distressed properties. Today it's a niche piece of the overall market – a small niche at that.

Our website, www.ivaor.com, includes one of the most versatile and comprehensive free tools to review current trends in the housing

market. You can easily customize reports to see price trends, new listings, current inventories, trends in financing, distressed market shares and much, much more. This information is broken down by city, zip code, county, region and more.



If you're looking for live education, seminars and upcoming courses, make sure to get on our email distribution list. Once a week, we update our members on upcoming courses at IVAR. Most of these are free or cost about as much as a trip to your favorite lunch spot.

Did you know that IVAR has even started its own chapter of Toastmasters to help REALTORS hone their presentation and speaking skills? The Inland Valleys Closers meets the first three Thursdays of every month at IVAR in Riverside at 11:30am.

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Short Sale Tax Update



PAUL HERRERA,
GOVERNMENT AFFAIRS DIRECTOR

Late last year the IRS and the California Franchise Tax Board made clear that mortgage debt forgiven as part of a short sale would not be taxed as income. The decision came as a relief to thousands of Californians who would otherwise face a devastating tax bill on any mortgage debt left unpaid when a lender approved a short sale.

Unfortunately, that decision was partly undone two months ago, just weeks after the tax filing deadline in April, when the IRS issued a second letter that clarified that only purchase money mortgage debt should be covered in the tax relief. The California Franchise Tax Board has not issued a second letter following the IRS' lead yet and some questions remain. Senator Diane Feinstein has requested additional clarification from both agencies to help people navigate the situation.

In short (disclaimer, nothing in tax law can ever truly be summarized in a sentence that begins with "in short"), the original IRS ruling said that due to a law backed by REALTORS in 2011, debt forgiven as part of a short sale would be considered non-recourse and not face taxation as income for most households. The new letter clarifies that this only applies to purchase money debt, including any purchase money that has been refinanced into another loan.

For homeowners who had part of their mortgage debt forgiven to allow them to stay in their homes, the path to avoid a massive tax hit is even narrower.

The lesson, as always with tax questions, is that REALTORS should be wary of giving advice on tax issues that affect individual homeowners and homebuyers. Even when the answers appear clear, the ground can shift beneath your feet with the next tax ruling.

Even more importantly, the rules change with every individual situation. Clients should be advised to direct tax questions about their specific file to tax professionals.

That said, for those who want to brave the updated guidance from the IRS, you can download the new letter at <http://goo.gl/GY00d6>. You can also view the December letter from the IRS Office of the Chief Counsel at <http://goo.gl/JLXcln>. The original letter lays out the reasons for the agency's original determination that debt forgiven in short sales would be considered non-recourse, and therefore not subject to income tax in most situations. Much of that rationale remains in recent clarification, though it has now been limited to purchase money.

As you may recall, the tax relief letter came as the California legislature declined to extend tax forgiveness on forgiven mortgage debt beyond the end of 2012. Since shortly after the start of the housing crash and through 2012, Congress and the California Legislature had decided to not tax mortgage debt that was forgiven as homeowners lost their home. Some refer to these taxes as the "kick'em while they're down" provision, since a homeowner who couldn't afford to keep their underwater home likely couldn't afford tens of thousands of dollars in taxes on the so-called "income" of not paying their mortgage debt in full.

Congress extended tax forgiveness through the end of 2013, covering all short sales through the most recent tax year for federal purposes. However, the California Legislature declined to pass a bill to extend forgiveness, choosing instead to lock the fate of such forgiveness with a new \$500 million tax on homeowners, applied through recording fees, which REALTORS opposed. When the new tax failed, so did relief for struggling households.



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IVAR Casino Night & Mixer Photos





Election Winners

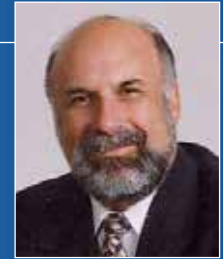
In June, IVAR members cast their votes – more votes than IVAR elections have received previously – to put together the leadership team for 2015. The newly elected slate includes two members serving on the Board of Directors for the first time, three incumbents returning for another term, and active members winning uncontested elections for President-elect and Treasurer.

It was a close election, with the margin between winning a board seat and missing it down to less than 1%. We would like to extend a warm thanks to the elections committee for their work to put together the entire process.

With that, we would like to congratulate the winners!



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Scott Gieser



Treasurer:
Joe Cusumano

DIRECTORS:



Wil Herring



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Ed Neighbors



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Mark Dowling, Chief Executive Officer

Welcome to the Inland Valleys Association of REALTORS (IVAR) monthly housing update. As a member benefit, IVAR produces monthly and quarterly housing reports to help members and area leaders better understand what's going on in the regional housing market. When reviewing the latest housing data from the region, there are a few noticeable trends that emerged in 2013 that have carried over into 2014:

- Cash buyers continue their downward trend from 34% last year to approximately 24% in June, 2014. This decrease has slowed the demand for housing, which is reflected in an increase in "Days on Market".
- Aggressive cash buyers in 2013 helped drive-up median sales prices 25% in 2013. Although median sales prices started to stabilize earlier in the year around \$285,000, the last few months have seen the median sales price increase to \$310,000 in June.
- Standard Sales continue to dominate the "Sales Type", with nearly 90% of all regional sales represented as Standard Sales.
- Although the total number of Closed sales have been trending down for 2014 when compared to 2013, New Listings continue to demonstrate year-over-year monthly increases. June New Listings numbers were up 12% month-over-year.



Given the significant increase in housing prices over the last year, a new home buying dilemma has sprouted-up as many potential first-time home buyers are finding themselves priced out of the market. According to C.A.R., since 2012, the minimum income required to purchase a house in the Inland Empire has increased 57%. This issue has impacted all of California, and is reflected in the average age of current California homebuyers which is now 48.

REGIONAL SUMMARY - PAGE 1

OBSERVATION: New listings are steadily growing in 2014. Although not dramatic, the increase is still noticeable.
CONCLUSION: The remainder of 2014 looks positive, if this gradual increase continues. Jobs and the economy this summer will determine where we go from here.

REGIONAL SUMMARY - PAGE 1

OBSERVATION: Median Sales Price is continuing to climb above \$300K. We've seen \$13K growth in median sales price in the last 90 days.
CONCLUSION: This indicates an underlying strength to the housing market in the IVAR region. This is good news for the rest of the Inland Empire.

REGIONAL SUMMARY - PAGE 1

OBSERVATION: Closed listings and new listings are tracking together in the positive direction.
CONCLUSION: The growth in median sales price combined with a steady trend of more closed sales is encouraging.

SALES VOLUME PER CITY - PAGE 3

OBSERVATION: The combined Sales Volume of the top 5 communities (approx. \$309M) is equivalent to the combined volume of the bottom 26.

REGIONAL SUMMARY - PAGE 1

OBSERVATION: For two straight months we've seen New Listings improve year-over-year.
CONCLUSION: This means more inventory coming into the market. This may help closed sales next month.

COMMUNITIES WITH NEW LISTINGS - PAGE 4

OBSERVATION: 3 communities achieved a year-over-year growth in New Listings of 50% or more. Eastvale has been one of the strongest communities for the last 4 months for increasing new listings.

REGIONAL SUMMARY - PAGE 1

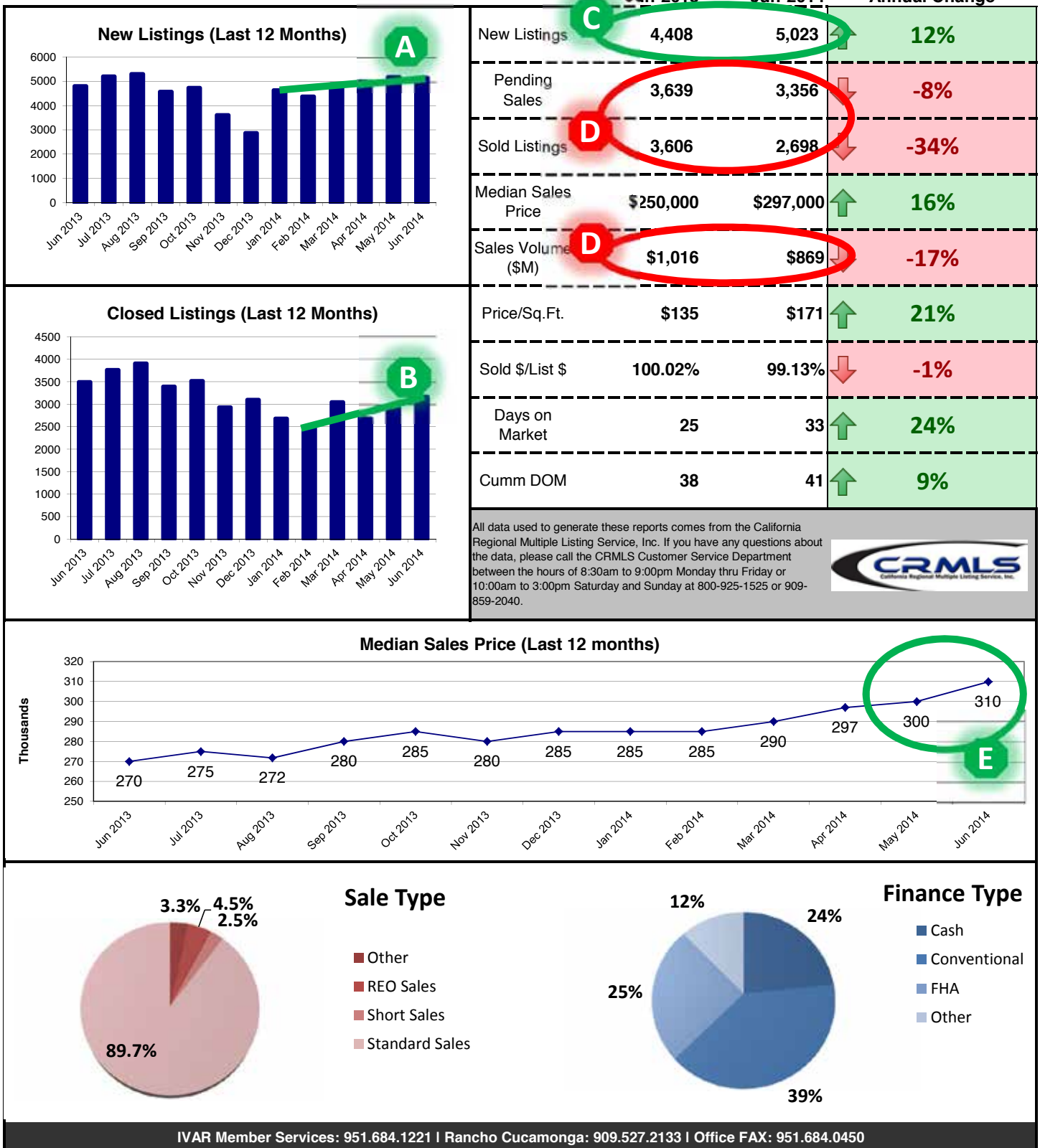
OBSERVATION: Pending Sales, Sales Volume and Sold Transactions are all down from 1 year ago.
CONCLUSION: The market was in a recovery phase last year at this time. It's not necessarily bad news for sales to be down compared to these previous numbers. A market with steady sales is preferable to lots of market volatility.

COMMUNITIES WITH NEW LISTINGS - PAGE 4

OBSERVATION: Only 6 communities had a year-over-year drop in New Listings. Riverside and Rancho Cucamonga (two of our largest submarkets) had nearly 0% change in new listings from a year ago.

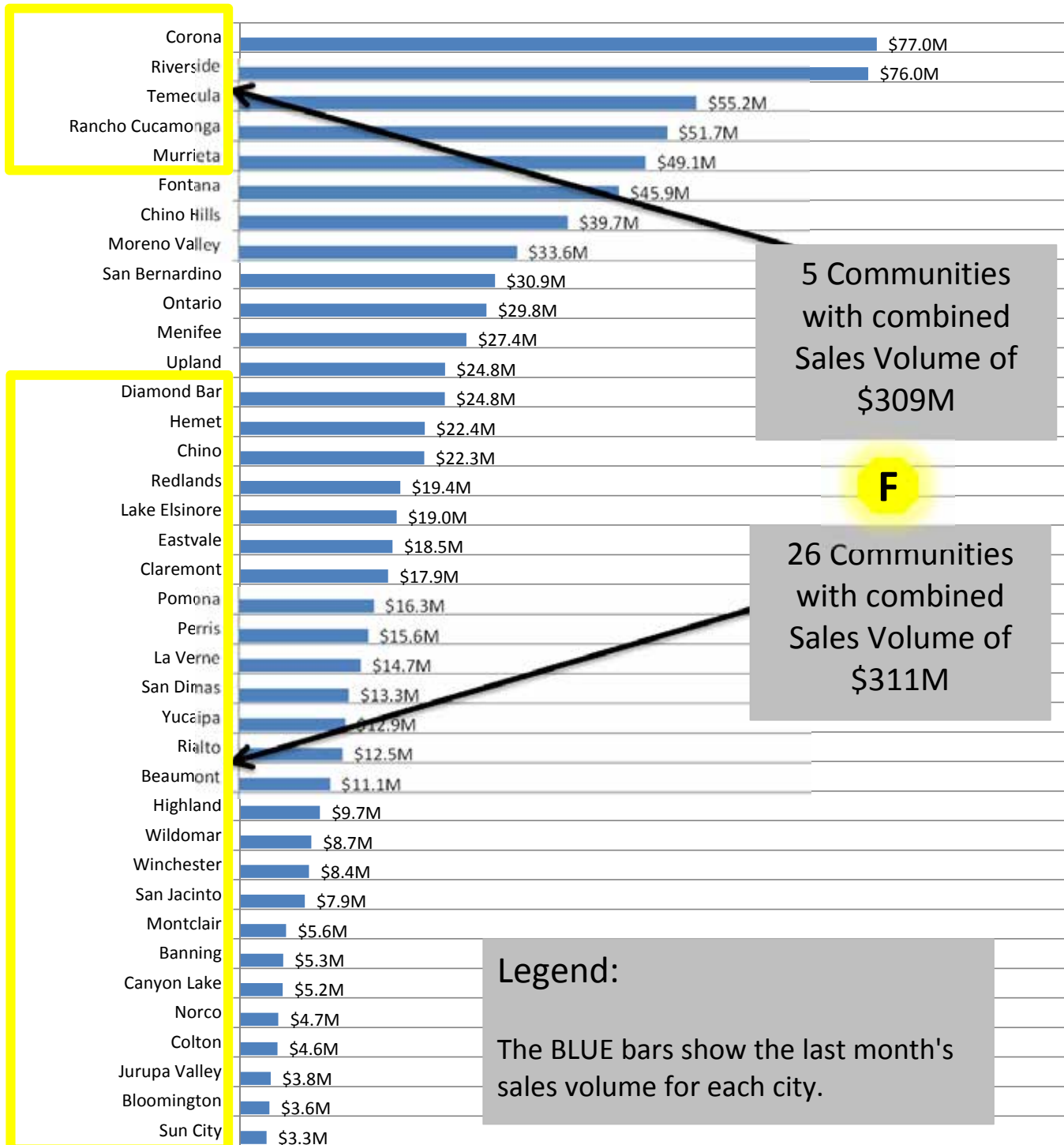
RATIO OF SELL VS. ORIGINAL LIST - PAGE 5

OBSERVATION: The 6 month trend in pricing has continued to climb towards equilibrium in expectations between original list vs sell price.
CONCLUSION: The regional market is finding a "new normal". The key for agents is to look for the hot-spots

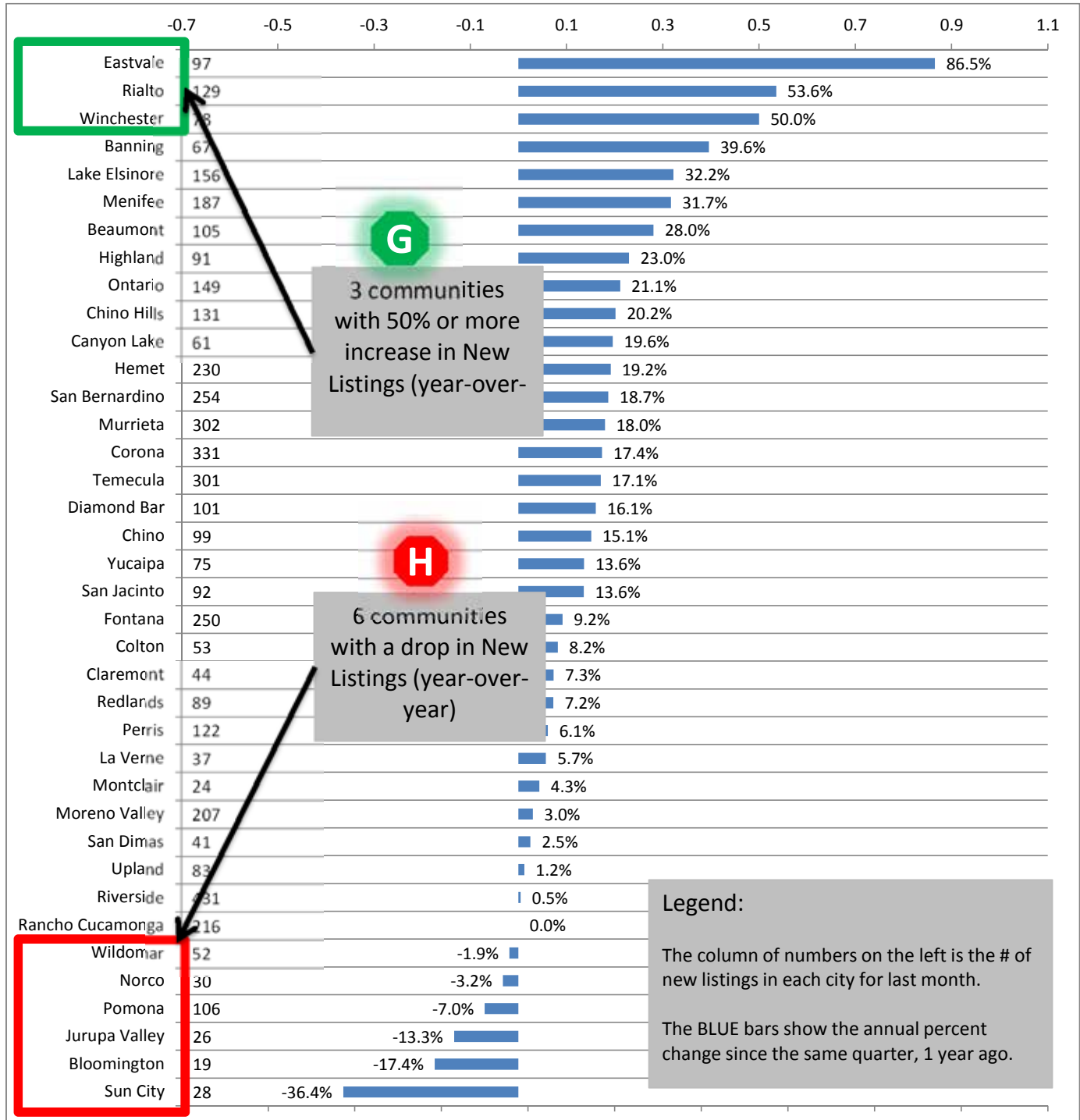


The following monthly data shows "YEAR-OVER-YEAR" (YOY) changes as well as current conditions in the real estate market

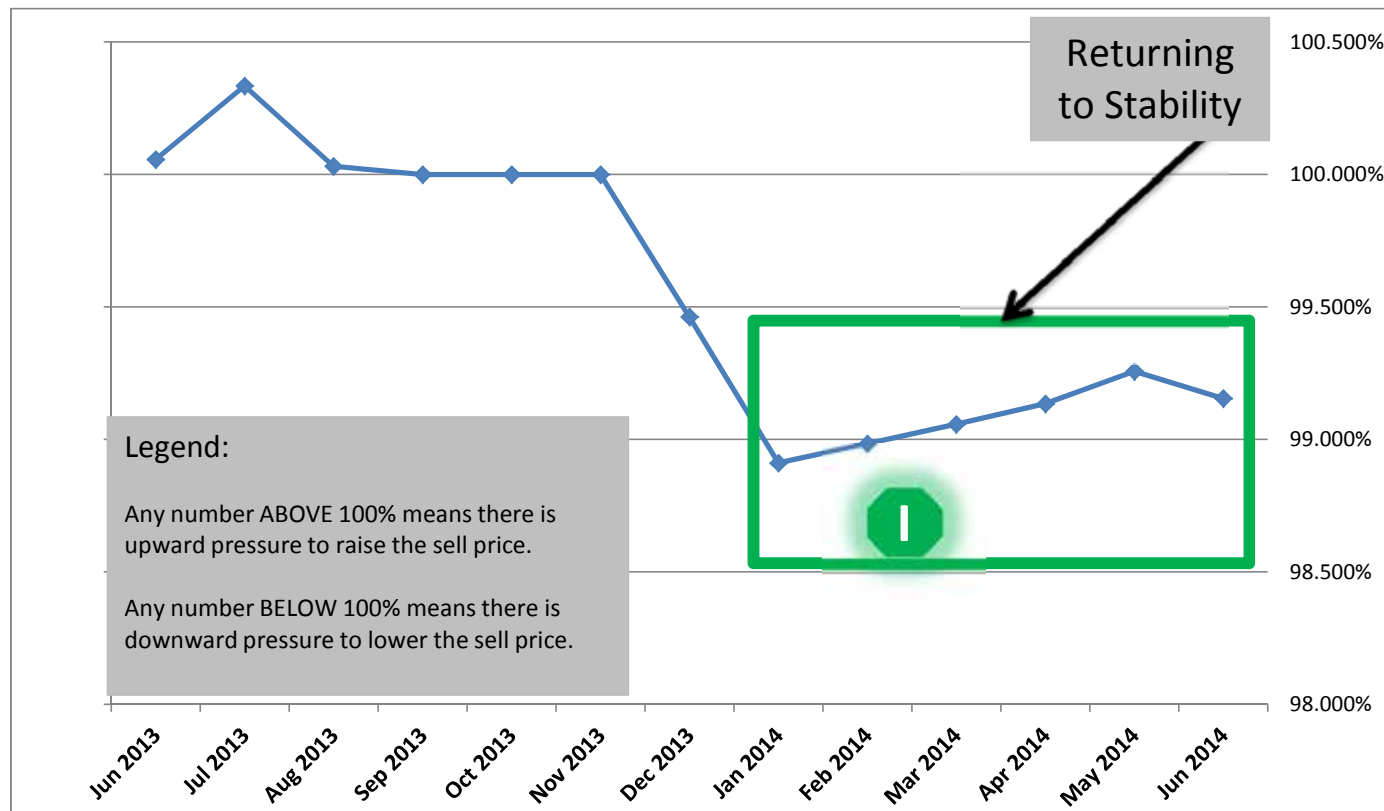
	YOY Sales Transactions	YOY Median Sales Price %	Median Sales Price \$	Price per Sq.Ft.	Total Days on Market
Banning	↓ -31%	↑ 10%	\$ 160,000	\$ 132	47
Beaumont	↓ -43%	↑ 19%	\$ 250,000	\$ 118	38
Bloomington	↑ 15%	↑ 57%	\$ 244,000	\$ 177	37
Canyon Lake	↓ -55%	↑ 3%	\$ 310,000	\$ 164	48
Chino	↓ -15%	↑ 29%	\$ 419,900	\$ 210	49
Chino Hills	↓ -20%	↑ 29%	\$ 550,000	\$ 277	49
Claremont	↓ -15%	↑ 28%	\$ 550,000	\$ 300	48
Colton	↓ -41%	↑ 18%	\$ 182,500	\$ 151	28
Corona	↓ -28%	↑ 14%	\$ 395,000	\$ 201	43
Diamond Bar	↓ -47%	↑ 16%	\$ 585,000	\$ 321	52
Eastvale	↓ -14%	↑ 16%	\$ 496,500	\$ 166	41
Fontana	↓ -25%	↑ 29%	\$ 302,000	\$ 180	37
Hemet	↓ -24%	↑ 11%	\$ 171,950	\$ 113	35
Highland	↓ -33%	↑ 32%	\$ 245,000	\$ 151	41
Jurupa Valley	↓ -59%	↑ 32%	\$ 345,000	\$ 196	71
La Verne	↑ 5%	↑ 26%	\$ 540,000	\$ 278	40
Lake Elsinore	↓ -31%	↑ 22%	\$ 274,794	\$ 141	61
Menifee	↑ 4%	↑ 18%	\$ 282,500	\$ 137	46
Montclair	↑ 6%	↑ 26%	\$ 315,000	\$ 221	40
Moreno Valley	↓ -24%	↑ 26%	\$ 230,000	\$ 140	41
Murrieta	↓ -24%	↑ 15%	\$ 335,000	\$ 148	36
Norco	↓ -54%	↓ -11%	\$ 342,500	\$ 251	39
Ontario	↓ -9%	↑ 25%	\$ 300,000	\$ 210	32
Perris	↓ -23%	↑ 26%	\$ 215,000	\$ 122	40
Pomona	↓ -32%	↑ 21%	\$ 299,000	\$ 227	41
Rancho Cucamonga	↓ -24%	↑ 20%	\$ 383,250	\$ 234	42
Redlands	↓ -2%	↑ 13%	\$ 315,700	\$ 189	35
Rialto	↓ -32%	↑ 14%	\$ 239,000	\$ 172	36
Riverside	↓ -30%	↑ 20%	\$ 285,000	\$ 182	44
San Bernardino	↓ -2%	↑ 33%	\$ 180,000	\$ 138	36
San Dimas	↑ 17%	↓ -7%	\$ 436,250	\$ 278	28
San Jacinto	↓ -31%	↑ 20%	\$ 185,000	\$ 100	35
Sun City	↓ -55%	↑ 40%	\$ 188,250	\$ 126	43
Temecula	↓ -23%	↑ 2%	\$ 357,750	\$ 172	42
Upland	↓ -29%	↑ 1%	\$ 420,000	\$ 230	44
Wildomar	↓ -39%	↑ 21%	\$ 288,500	\$ 132	35
Winchester	↓ -52%	↑ 17%	\$ 332,000	\$ 133	44
Yucaipa	↓ -10%	↑ 2%	\$ 257,449	\$ 159	45
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The IVAR team has worked hard to improve services and make IVAR a better business association. IVAR is committed to defining its service and building member relationships not with promotional gimmicks and giveaways, but rather by refining a business-minded approach to serve our members' professional needs with our problem-solving approach. In the last year, IVAR has expanded services to include:

- Free local housing data & customized reports, available online to our members at <https://quicklook.ivaor.com>.
- Two offices located in Riverside & Rancho Cucamonga, Open 5 Days a Week
- Government Affairs supporting property rights and REALTOR business interests at <http://advocacy.ivaor.com>
- Mobile IVAR Member Services staff provide on-site training and customer support directly to your office
- Online reference guides to help members navigate local laws related to real estate
- Increased Affiliate Member promotions
- Expanded education and training opportunities focusing on short-sale techniques, technology applications and business planning

By focusing on value-added services, IVAR is committed to being the board of choice for Inland Empire REALTORS. If you have any questions or suggestions on how IVAR can provide better services, please feel free to contact me at 951.684.1221.

Mark Dowling, Chief Executive Officer

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Listing Agent's Duty to Buyer and Buyer's Duty of Investigation Clarified:

Appellate Court upholds sanctions against the buyer and buyer's attorney for maintaining baseless complaint against the licensee "utterly lacking in legal merit."

In a strongly worded unanimous decision, a California Court of Appeal upheld sanctions against a buyer and buyer's attorney for continuing to prosecute a claim against a listing agent in which "the record supports that no reasonable attorney would have concluded [that the] statutory and common law claims . . . were factual and legally supportable." *Peake v. Underwood*, filed June 25, 2014, Fourth District, Div. One, D061267.

As with most real estate cases, the underlying claim here was one of nondisclosure. There had been prior drainage, water intrusion and water damage issues with the house. The sellers had purchased the property with the idea of making needed repairs but had run out of money and, after owning the property for about a year, resold the house to Peake. The same agent who had represented the sellers when they purchased the property represented them in the resale.

The buyer was aware of the house's prior drainage problems having been provided copies of reports of the previous owner's steps to address the water issues in two separate drainage upgrades. However, when the buyer's son's foot went through a bathroom floor, the buyer filed suit against the seller and the listing agent alleging numerous causes of action, notwithstanding that the

buyer admitted that the listing agent had provided her with photographs and reports disclosing subflooring problems. In the long procedural history of this case, the buyer dropped her claims against the seller understanding the seller to be insolvent and stipulated to drop all claims against the listing agent except statutory claims (Civil Code sections 2079 and 1102 et seq.).

During this time, the listing agent's attorney encouraged the buyer's attorney to dismiss the case, reminded him that the listing agent had provided all information in the listing agent's possession, and repeatedly informed him that the defendant would seek sanctions if the case were not dismissed. The case was not dismissed and the trial court awarded sanctions finding that the buyer's claims were "utterly lacking in legal merit."

The appellate court affirmed both the listing agent's duties to the buyer as well as the buyer's duty to investigate for themselves by focusing on three things: the Real Estate Transfer Disclosure Statement ("TDS") is a seller disclosure document; a listing agent's inspection duty under Civil Code sections 2079 and 1102 et seq. is to, in good faith, conduct a visual inspection of accessible areas; and a listing agent has no duty to disclose latent defects to a buyer unless the agent also knows that such facts are not known to or within the reach of the diligent attention and observations of the buyer.

The buyer alleged that since the listing agent had signed the last page of the TDS, the listing agent was responsible

for the sellers' answers on the first two pages of the TDS. The sellers had answered "no" to the question asking if they were aware of any flooding, drainage or grading problems. Buyer claimed that when the listing agent signed the last page of the TDS he knew the sellers were wrong. Although the buyer in answering the motion for sanctions conceded that this claim was in error, the court reports the underlying facts and provides a clear statement for the record that such claim was indeed in error. The TDS, where the seller signs, clearly states "these representations . . . are representations made by the seller(s) and are not representations of the agent(s), if any."

In this case, the record is clear that the buyer was on notice of the prior problems with the house. The court found that, not only were the facts within the diligent attention of the buyer, they were actually known to her.

Although sanctions can be difficult to get, listing agents can take some comfort that, when they fully disclose and document facts, there may be a remedy for claims that are not dismissed once plaintiff's counsel is aware of the full facts. Using the C.A.R. Agent Visual Inspection Disclosure to record a diligent visual inspection and providing all information that the listing agent has in their possession offer protection from nondisclosure claims. Buyer's agents may also want to remind buyers that they have a duty to protect themselves and do their own due diligence as to any disclosure provided to them.

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Dual Agency

New Case Holds Different Salespersons Under the Same Broker Are Dual Agents

It is well established that a dual agent owes a fiduciary duty to both the buyer and the seller. This case ruled that when a buyer and seller are working with different salespersons in the same brokerage - even different offices - that both the broker and the salespersons are dual agents. Therefore, the case held that whether the broker is a natural person or a corporation, the salespersons on either side of the transaction owe a fiduciary duty to both the buyer and the seller.

California Appellate case: *Horiike v. Coldwell Banker Residential Brokerage*, filed April 9, 2014, Second District, Div. Five, 225 Cal.App.4th 427; 169 Cal. Rptr.3d 891

As in many real estate disputes, the facts in this case relate to square footage. The house, while listed with the broker, had fallen out of escrow from a prior purchase contract with a buyer also represented by this broker. In that prior escrow the person acting as the listing agent had passed along to the buyer information that the actual square footage was in some dispute, and in a hand written note advised the buyer that they should confirm the actual square footage for themselves.

While still listed with this same broker a new buyer, also represented by the listing office, entered into a new contract to purchase the property. However, while the person acting as the listing agent gave them the information on the different accounts of square footage, that person did not include

the handwritten note to the second buyer to confirm the square footage for themselves.

The buyer sued the listing salesperson and broker but did not name their own buyer's agent from the same firm in the suit. The trial court judge ruled that the broker and the listing salesperson did not owe a fiduciary duty to the buyer. The jury exonerated the listing agent and broker on all misrepresentation claims.

The appellate court reversed and found that the broker, and therefore the listing agent, owed duties to the buyer. Coldwell Banker has filed for a hearing before the California Supreme Court and C.A.R. is filing a letter in support of the Court accepting the case for review.

NEW IRS LETTER

IRS Issues Short Sale Tax Clarification

After receiving comments from California tax practitioners and its own review of California law, the IRS has issued a clarification to its September 19, 2013 letter to Senator Barbara Boxer concerning short sales and taxes on the forgiven debt. The new IRS letter indicates that forgiven short sale debt is not subject to cancellation of debt (COD) income only if it is non-recourse at its inception and that their prior letter was overly broad.

In their new April 29, 2014 letter, the IRS states that in order for a debt to be non-recourse at the time of the short sale, the original debt must be used to purchase or build a 1-4 principal

residence or a refinance of such debt. As in the prior letter the IRS affirms that a lender's forgiveness of such debt in a short sale will not result in COD income, but instead will be treated as capital gains. And as before, single or joint tax filers selling a principal residence can use the appropriate \$250,000 or \$500,000 capital gains exclusion.

What changed is that a loan used to substantially improve the taxpayer's principal residence may now be treated as COD income instead of capital gains. Additionally, the IRS clarified that an investor's short sale debt will also be characterized by the nature of the debt at inception. If it was recourse debt (non principal residence purchase) originally, it will remain recourse debt at the time of the short sale. This may be somewhat good news for investors who may prefer to have short sale debt treated as COD income rather than capital gains. COD income may be avoided under a claim of insolvency where capital gains cannot.

C.A.R. will continue to seek additional clarification about some issues not addressed, such as a taxpayer's reliance on the IRS's prior letter, and whether forgiven home improvement debt should not also be excluded from COD income. As always REALTORS® must advise their clients that they cannot give tax advice and that the client should seek tax advice from a qualified tax professional. A copy of the letter from the IRS is available for reference.

continued on page 22

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C.A.R. to Publish Names of Code of Ethics Violators



In an effort to make ethics violations and the disciplinary process more transparent, starting August 1, 2014, C.A.R. will be publishing the names – and the other information listed below – of members who are found in violation of the Code of Ethics. If a member is found in violation of the Code and the discipline is a reprimand, fine, suspension or expulsion – anything other than a letter of warning or stand-alone education – the following information will be published by C.A.R.:

1. The name and photo of the member found in violation. If the member's name is similar to another member's, their real estate license number and/or office address may also be included in the publication;
2. A list of the Articles of the Code of Ethics that were violated and possibly the applicable standards of practice;
3. A brief factual synopsis of the matter, with the names of other parties removed;
4. The discipline imposed;

5. The effective date and duration of discipline imposed;
6. The hearing Panel's rationale for the discipline imposed, if applicable; and
7. Publication is triggered only if the discipline is a reprimand, fine, suspension or expulsion – i.e. anything other than a letter of warning or stand-alone education.

The name of the real estate firm will not be published. The name of the responsible broker will be published, only if the broker was also named and found in violation. This information will be published on the members-only section of <http://www.car.org> and local associations will be free to republish the information in their local members-only publications. Local associations will begin requiring respondents named in an ethics complaint to submit a photo at the time of filing a response to the complaint, or allow their picture to be taken before the hearing begins.

AVOID PUBLICATION – KNOW THE RULES: There are three free or low cost options for becoming more familiar with the requirements of the NAR Code

of Ethics. First, you can take an ethics course as part of your 12 FREE Hours of Online CE Courses as a member benefit from C.A.R. This satisfies the Ethics requirement for your CA license renewal. Or, if you have already used your 12 free hours, you can purchase the California Ethics course in the CE Catalog or through C.A.R. Education at OnlineEd at a member price of \$19.99. Another option, is the free Code of Ethics Course through NAR, however it does not offer CE credit and does not fulfill the CA license renewal requirement.

For links to each of the options above, visit <http://www.ivaor.com> and following the link on the Code of Ethics news item on the right.

Did you know that most violations are related to advertising violations? However, members surveyed overwhelmingly cite problems with failure to cooperate with other agents (unavailability to show, misrepresent availability, give their buyers priority, failure to present all offers, etc.). Make sure you know the rules, so your name is not on the list!

continued from page 20

E&O INFORMATION

New E&O Information Resources Available

Is your business protected with real estate errors and omissions insurance? Do you have gaps in coverage? What happens if there is no "tail coverage"?

What are common insurance terms and exclusions? The Legal Q & A, "E & O Insurance for REALTORS®" and the booklet titled "Real Estate Broker's and Agent's Guide to E & O Insurance" may be accessed for assistance. RealCare Insurance Marketing, Inc. is the only

C.A.R.-endorsed insurance broker, and works closely with the Association and the C.A.R. Strategic Defense Panel attorneys to provide comprehensive and competitive coverage for C.A.R. members. Call (800) 939-8088 or go to: <http://www.realcarecar.com/>.

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IVAR Committee To Review Questions Surrounding Energy Efficiency Loans



In the past few years, more than 9,000 homeowners have financed an average of about \$18,000 of energy efficiency home improvements using a new borrowing option that places the debt on the home's tax bill. Authorized under AB 811, a 2008 law that sought to give homeowners another option to upgrade their home for better energy efficiency, the programs created an entirely new type of borrowing for individual property owners.

Now, some of those properties – and the tax-bill-based debt – are complicating some transactions. IVAR has received several dozen reports of transactions gone awry as buyers and their lenders tried to reconcile an additional loan that is designed to

follow the property from one owner to the next. That fact runs contrary to traditional home improvement loans (whether secured as a second mortgage, cash out refinancing or simple personal loan), which borrowers and buyers know will be settled in a transaction or follow the borrower, not the property.

Several large lenders will not allow a new borrower to accept responsibility for the debt, since it does not subordinate to the first lienholder as other loans would. Even when the debt is allowed by the lender, it sometimes creates affordability problems since the cost could add several hundred dollars per month to the homeowner. It has also raised problems with impound accounts, which may not know about

the increased property taxes until it hits the tax bill and creates an impound account shortage.

For now, IVAR is researching the issue to attempt to understand its scope and build dialogue with local agencies responsible for administering the program. If you would like to contribute to the discussion, we invite you to contact Government Affairs Director Paul Herrera at pherrera@ivaor.com or 951-500-1222. You are also welcome to attend the next Housing Policy Committee meeting, where this topic will definitely be part of the discussion agenda. That meeting is scheduled for Wednesday, August 6th at 10am, following Breakfast at IVAR.

This issue and others will be part of the discussion agenda at the next IVAR Housing Policy Committee meeting in August. The committee meets on the first Wednesday of every month at 10am, following our monthly breakfast meeting. To join the committee discussion, which is open to all members, please contact Paul Herrera at pherrera@ivaor.com. The committee is chaired by former IVAR President Doug Shepherd.

WEDNESDAY, JULY 23RD

Education
8:30am – 11:30am
The Reverse Mortgage Purchase Program
IVAR Riverside Office

THURSDAY, JULY 24TH

Education
11:30am – 12:30pm
Toastmasters: Inland Valleys Closers Chapter
IVAR Riverside Office

TUESDAY, JULY 29TH

Education
9:00am – 12:00pm
International Investing with Frank Licea
IVAR Riverside Office

THURSDAY, JULY 31ST

Education
1:30pm – 3:00pm
MLS Citation Policy Class
IVAR Riverside Office

MONDAY, AUGUST 4TH

Education
10:00am – 3:00pm
CRMLS Training
IVAR Riverside Office

WEDNESDAY, AUGUST 6TH

Networking
8:00am – 10:00am
IVAR Breakfast Meeting
IVAR Riverside Office

THURSDAY, AUGUST 7TH

Education
11:35am – 12:45pm
Toastmasters
IVAR Riverside Office

FRIDAY, AUGUST 15TH

Education
9:00am – 11:00am
New Member Orientation
IVAR Riverside Office

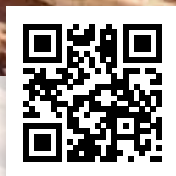


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