

# NABOR



SUMMER 2010

REALTORS PROPERTY RESOURCE



POWERHOUSE OF KNOWLEDGE

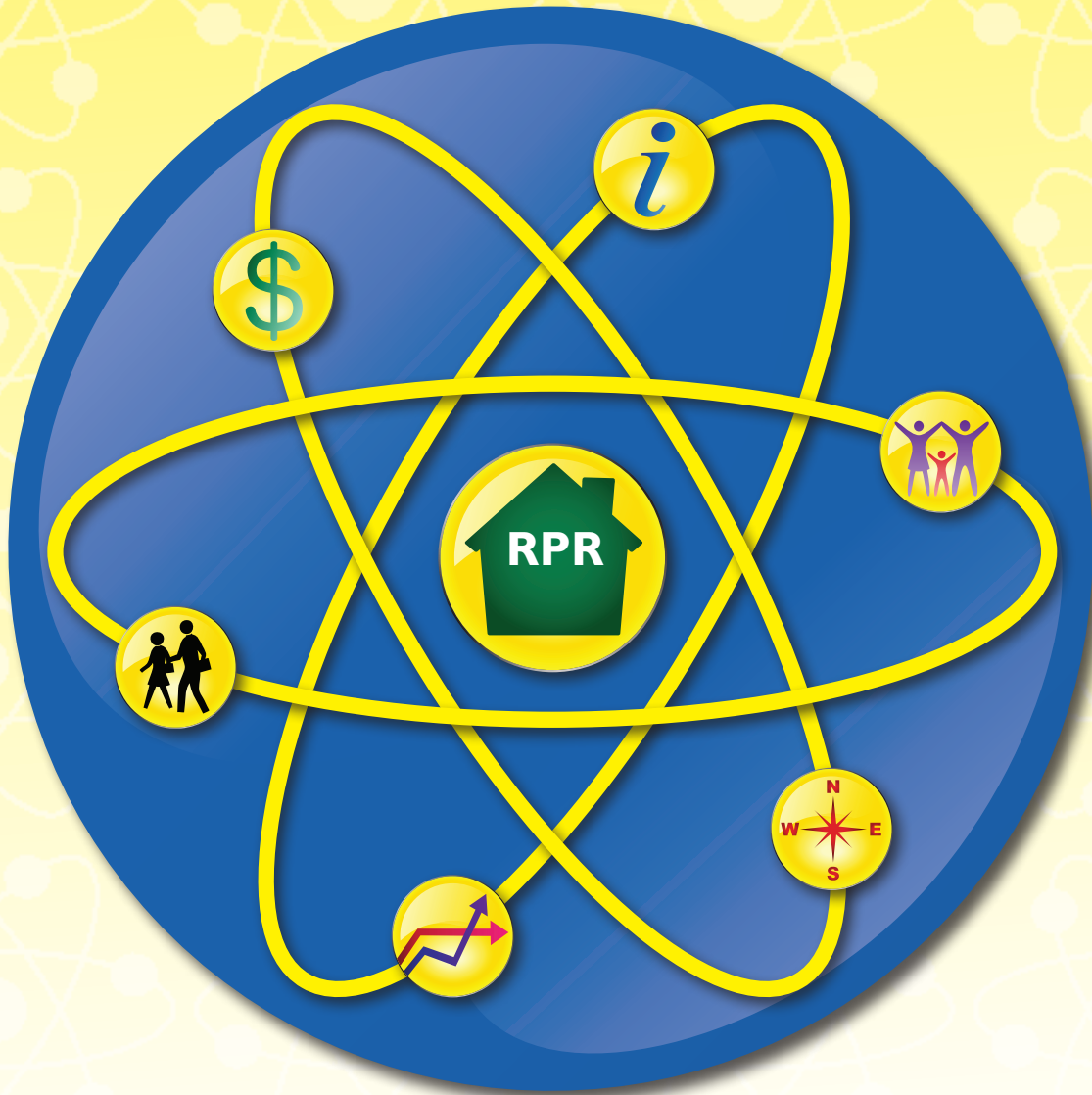
**PLUS+**

Home Affordable  
Foreclosure Alternatives

The Perfect Gift

# Powerhouse of Knowledge

By Ginny Cooper



It's been said that knowledge is power. If so, then REALTORS are about to become very powerful people, as a world of information is opened up to them via the new REALTORS Property Resource™. REALTORS Property Resource™ is a parcel-centric database covering all of

the more than 147,000,000 property parcels in the country; an online real estate library/archive that will provide real estate professionals with data on *every property* in the United States.

Go ahead; read that first paragraph again, we'll wait.

The project is part of NAR's Second Century Initiatives released in May 2007. The Second Century Initiatives is a set of projects so named as NAR began its second century of service. They are strategically focused on supporting the personal and professional interests of REALTORS and also include the REALTORS Federal Credit Union, the private equity fund Second Century Ventures, LLC, and HouseLogic.com, NAR's consumer website.



feature of the new program is the RVM – the REALTOR'S valuation model. It differs from the AVM (automated valuation model) Hewes explained. "What makes RVM so good is that it uses updated listing information whereas AVM uses older, sometimes stale data. It's far superior to AVM. I think appraisers will embrace the REALTORS Property Resource™."

National Association of Realtors began beta testing the REALTORS Property Resource™ in 12 markets this spring. At press time, the program was to be introduced to all REALTORS beginning in the third quarter of 2010. The rollout is expected to take 18 months.

"It's not being offered in one fell swoop to the whole country," said Hewes. "It's being made available to various associations in a process where those who first opted in to the contract process are the first to receive it." At press time NABOR was negotiating its contract, trying to get some final issues resolved. "I'm confident we can get the issues worked out and we will have RPR in place by the end of the year," he assured NABOR Magazine.



Associations across the country have invested a great deal of money into their own MLS systems and consumer-driven websites, including NABOR. How will RPR differ from the newly-launched [www.naplesarea.com](http://www.naplesarea.com)? "Naplesarea.com is a consumer-based website. Everything in RPR is exclusive to NAR members. Consumers will **not** have access to RPR. A consumer may be able to get pieces of information from several different places and then try to put the information together in a semblance of a puzzle. But RPR will put everything at the REALTOR'S fingertips, in one report." This is a benefit of membership in NAR; it is free, there are no additional costs or fees associated with the cost.



It's important to draw the distinction between RPR and a national MLS. REALTORS cannot input listings into



REALTORS Property Resource™ will be a single source national compilation of tax and assessment data, property data, neighborhood, school, demographic and psychographic information and maps, trends and reports.

"The complete database is an evolving issue, but it will have 92 percent of tax and assessment info entered at launch. The plan is to have the database as close to 100 percent complete as possible within approximately two years," explained NABOR Director Bob Hewes of Downing Frye Realty.

But data alone is meaningless unless it can be easily interpreted and made useful for business. That is where the trending reports and other tools built into the system come in. "That's where the real value is to local REALTORS," Hewes said.



Hewes wasn't convinced at first though. "When RPR was first announced it didn't appear to me that it would be a benefit to me or to NABOR. Then I went to the annual meeting in San Diego last November and was shown what they're doing with the process. The data is so important, having it at my fingertips makes me more professional, more informed; it gives the complete picture of what's going on with a particular parcel," he explained. "The history of a piece of property is valuable information the way I see it."

He believes it will be valuable to real estate appraisers as well as sales associates and brokers. One

the database, nor is it a place for offers of cooperation or compensation. "I'm sure that there are going to be some associations that are apprehensive; worried that it may become a national MLS. But that is in the contract, it will **not** be part of a national MLS," Hewes said. "REALTORS Property Resource™ is owned by REALTORS so we will have some control where we can vote our conscience on any issues, including this one."

There may be a national MLS some day, predicts RPR CEO Dale Ross, but this system is not it. "The application we're building is not for that purpose," Ross said during an interview with Inman Connect. "We're using the MLSs as a delivery mechanism."

The application is costing NAR in the neighborhood of \$20-25 million, according to Ross. He expects the company to break even in about three years with the full build-out in about five



years. Revenue to sustain the effort is expected to come from governmental and commercial sources eager for the analytical data which RPR will be able to produce, and can sell to them. This revenue is also expected to provide the funds to pay back NAR for its capital investment.

There is a mobile application currently being beta-tested by the Charlottesville Area Association of REALTORS® (CAAR). Their idea to build a mobile application won an NAR "Game Changer" Award and was the impetus for developing a mobile website for RPR. As reported on the blog, "After careful consideration, it was decided that quick search and the ability to display key data sets from RPR database were required, such as: public records, listing information, default / distressed property information, and valuation analytics. Because an important capability of RPR is to produce customized reports for a REALTOR'S customers (e.g. Seller's Report, Property Report, Buyer's Report, etc.), it was expected that mobile users would be able to



easily e-mail reports to their clients directly from their device."

REALTORS Property Resource™ has established a website at <http://blog.narrpr.com/>. At the website, an NAR member can watch instructional videos, sign up for the newsletter, request an MLS enrollment package, schedule a demo or review frequently asked questions. The FAQ's are organized according to roles: general, appraisers, associations, brokers, MLS, REALTORS® and vendors.

For even more communication on the project, log on to Facebook and join the business page <http://www.facebook.com/NARRPR> or follow RPR on Twitter at <http://www.twitter.com/ReggieRPR>.

## "Title Tip of the Month"

### Realtor selling agents

Do you have listing agents demanding that **your** buyer must use the seller's title company on your transaction?

***Don't allow it! It is illegal!***

**See Section 9 RESPA, 12 U.S.C. § 2608.**

Your buyer has the legal right to choose his or her own title/closing agent.

**Craig Terpening, JD**  
Licensed Title/Escrow Agent



### **Emmanuel Title, LLC**

3940 Radio Road, Ste. 107  
Naples, Florida 34104  
(239) 436-6606 Telephone  
(239) 436-8059 Facsimile

# Home Affordable Foreclosure Alternatives

By Ginny Cooper

## Tying a Knot in the End of the Rope

Your client has come to the end of his proverbial rope. He owns a principal residence that was originally mortgaged before 2009; the unpaid principal balance is less than \$729,750; his total payment exceeds 31 percent of his gross income and becoming delinquent or defaulting on his mortgage is reasonably foreseeable. In March of 2009 the federal government stepped in to tie a knot in the end of that rope, with an assistance plan called the Home Affordable Modification Program (HAMP) under its Making Home Affordable initiative.

The modification sequence called for reducing interest rates (subject

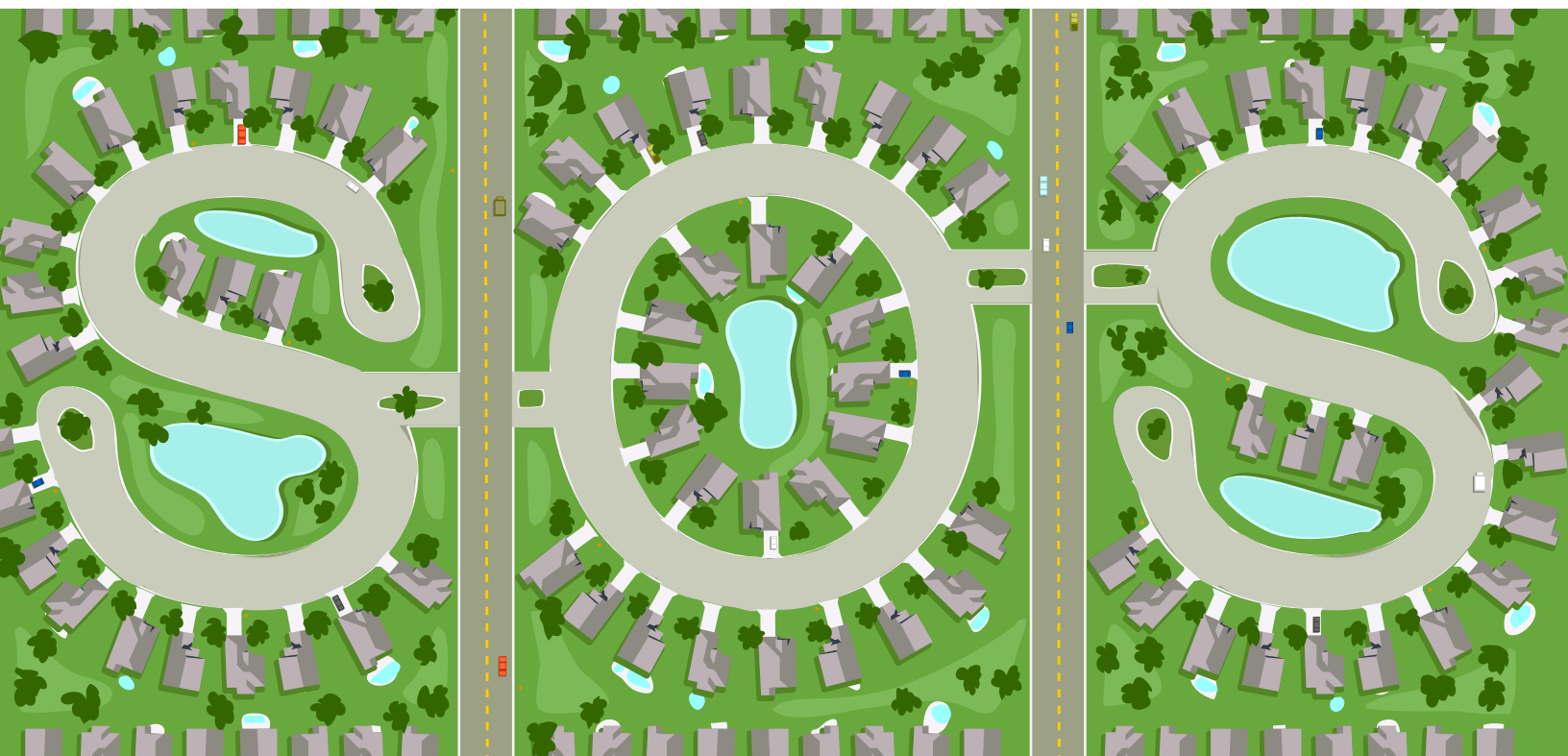
to a rate floor of 2 percent), then if necessary, extending the term or amortization of the loan up to a maximum of 40 years, and possibly forbearing the principal. But what if that wasn't enough? What if, despite the efforts expended on their behalf by the government, the lender and the servicer, your client still cannot afford to keep their home and even the HAMP knot is slipping? How will you help them avoid foreclosure?

## A New Lifeline Becomes Available

Enter HAFA, the Home Affordable Foreclosure Alternatives Program. HAFA is designed to help owners who are unable to retain their home under the HAMP. If all else has failed to keep the owner

in their home, they may be able to avoid foreclosure by completing a short sale or a deed-in-lieu of foreclosure (DIL) under HAFA.

The U.S. Treasury Department has decreed that all loan servicers participating in HAMP must also implement HAFA in accordance with their own written policy, consistent with investor guidelines. The Treasury Department's Supplemental Directive 09-09, updated on March 26, 2010, provides guidance for creating the policy which may include factors such as the severity of the loss involved, local market conditions, the timing of the pending foreclosure actions, and the owner's motivation and cooperation. The Treasury Department guidelines do not apply



to loans owned or guaranteed by Fannie Mae or Freddie Mac since those agencies will issue their own HAFA guidelines and forms. FHA and VA have their own short sale programs, so they will not be participating in HAFA.

“This is not so much a program as it is a set of guidelines that dictates a set of activities,” explains Matthew McCain, branch manager for Bank of America Home Loans. “The important thing this initiative does is that it gets homeowners to talk to their lenders about loan modification. In many cases they will find a way to stay in the home.”

He encourages REALTORS to get sellers talking to their bank before anybody considers any type of drastic measure. “Exhaust the possibility of a loan modification first. If you are eligible, the bank will tell you. We don’t want you moving out of your house. It’s better for the house, better for you and better for the community for you to stay in your home during the process of trying to modify...and mow your lawn,” says McCain.

### Avoiding the Pitfalls of a Short Sale

The cumbersome approval process for short sales has delayed and derailed many a closing. HAFA is intended to improve the short sale process by

- utilizing information already collected in connection with the consideration of a loan modification under HAMP
- allowing owners to receive pre-approved short sale terms before listing the property for sale

- fully releasing the owner from future liability for the first mortgage debt
  - standardizing the processes, documents and timeframes/deadlines
  - providing financial incentives.
- The owner (also referred to as the borrower) can receive up to \$3,000 for borrower relocation assistance; servicers can receive up to \$1,500 to cover administrative and processing costs; and investors who allow for a total of up to \$6,000 in short sale proceeds to be distributed to subordinate lien holders on a one-for-three matching basis up to 6 percent of the unpaid principal balance of each subordinate loan, can receive up to \$2,000.

And it’s doing just that according to Jay Civetti of Stock Financial. “I can’t speak to every short sale out there, but I can certainly speak to the stack of files on my desk,” he said. “And I can see some of them turning around in a very short amount of time.” Sales that used to languish for months on Civetti’s desk are moving right along, some even closing within a week. He attributes the success of the program to the incentives which are offered right down the line.

“Short sales are going to be a big part of our business going forward,” Civetti predicted. “They will be working their way up into the higher priced market. And if a program can have such a good effect on the lower-end of the market, imagine what it can do for the upper end.”

Chuck Kansy of Gulfshore Mortgage has a stack of short sale files on his desk as well. They have

been sitting there for six to eight weeks with only about 20 percent of them making it to closing.

“Many REALTORS don’t even want to show short sales,” he explains, “because they end up twiddling their thumbs waiting for the approval process to move along. Buyers get frustrated and go looking elsewhere. HAFA is going to streamline everything. As a lender, my job will be made easier, because by the time I get the file, everything is approved. I won’t have to re-verify the information. Everybody knows the terms up front.”

Kansy says the HAFA incentives aren’t enough, but adds, “They are something!”

### Pushing the Limits

There are timelines and other requirements that knowledgeable participating lenders and servicers can guide you through. The HAFA rules also include a limit on real estate commissions. In the Short Sale Agreement (SSA) the servicer specifies the amount of commission as a “reasonable and customary closing cost.” The owner and the real estate broker may negotiate with the servicer on the terms of the SSA. If however, the owner submits an executed sales contract to the servicer **before** a SSA is executed, the sales contract is submitted along with an Alternative Request for Approval of Short Sale (Alternative RASS) and the amount of the commission is the amount negotiated in the listing agreement, not to exceed six percent.

All HAFA agreements must be finalized by Dec. 31, 2012.



# The Perfect Gift

By Ginny Cooper

More than 75 percent of REALTOR Magazine readers agree that expressing their thanks to clients and a customer is important, and they do it by bestowing gifts. According to a REALTOR Magazine poll, the forms gifts take are as varied as the personalities of those who give them. But the most popular, according to the survey, are gift cards, flowers and plants, gift baskets, personalized home accessories, alcoholic beverages and food or sweets. REALTOR Magazine's informal online poll – asking REALTOR Magazine online visitors about their closing gift choices – uncovered a much broader mix of gift options.

Some enthused about giving distinct items, such as artistic renderings of the new house, hand-painted plates or maple syrup.

Others went the practical route: new locks for all doors and windows and environmentally friendly cleaning products. Still others suggested donations

to a charity in the client's name, a year's membership to the local zoo and even chew toys for the family dog."

NABOR Magazine talked to some of NABOR's most storied gift-givers to find out what they do to express their appreciation for business.

## Focusing on the Relationship

Harley Conrad, VIP Realty of Naples, says the most far out thing he ever gave a client was a \$2,000 telescope. The client had closed multiple transactions with Conrad and had just purchased a \$2,000,000 house that he was going to tear down and rebuild. Conrad bought the telescope for the client's new office planned for the second floor overlooking Naples Bay, to provide encouragement to move forward. He has also had some custom labeled bottles of wine produced to use as closing gifts. "I have used gift baskets and sent flowers; other agents have used home warranties. There are some IRS rules as to what you can and can't deduct but I have never used that as a guideline and leave it to my tax people to figure it out," he says.

Not every client receives a gift. “We appreciate what a great client they were, but we do not always have the kind of relationship that would encourage gift giving. My dad taught me to say ‘Thank You’,” he explains.

### Keeping Connected

“One of the things that I think has been most appreciated is to give a service,” said Pat Pitocchi of Amerivest Realty. She often gives clients an hour long consultation with an interior designer. “They seem to enjoy that, so I have a couple of people who do that for me. One did a plan for a client, another did a shopping trip with them!” she explains. Pitocchi will give traditional gifts as well – often a book or DVD of information about Naples or a gift certificate for an establishment here. “I used to do a coupon for a store, but it wasn’t valued as much as having something that either connects them to the community or is a service that has a human being connected with it.” And she always follows up on the thank you.

### It Is the Thought that Counts!

“When I’m working with a buyer, the gift depends on what I think is going to be important to that buyer,” says Michelle Harrison of John R. Wood REALTORS® of Naples. “If the property is an older property, I might consider a homeowner’s warranty as a gift. I

have purchased many of those and the customers seem to really appreciate that. It reinforces your belief in their choice of property.” Harrison also considers giving something that will be indicative of Naples, such as a custom art piece or calendar by a local artist.

“It’s not so much about how much you spend, but about the thought process that goes into it, that the gift means something,” said Harrison. “It’s about that continuing relationship.”

You see, it is the thought that counts!



**Real Estate Appraisers & Consultants**

The firm professionals use for true, reliable appraisals.

Put our team’s 35+ years of Collier County experience to work for you and your clients.

PROFESSIONAL • KNOWLEDGEABLE • QUALIFIED

RAYMOND CARROLL, MAI, SRA  
State-Certified General Appraiser 165  
ray@carrollandcarroll.com

CINDY CARROLL, SRA  
State-Certified Residential Appraiser 615  
cindy@carrollandcarroll.com

**775-1147 • 775-2154 (fax)**

2805 South Horseshoe Drive, Suite 1, Naples, FL 34104  
[www.carrollandcarroll.com](http://www.carrollandcarroll.com)