

REALTOR

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The Suburban West REALTORS® Association advocates for the real estate industry and private property rights, and promotes the professional integrity of its members by providing resources that enable them to:

- Deliver superior service to the public
- Maximize their income
- Grow to meet the needs of the future

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Technology and the Personal Touch

During the 30 years I've been in real estate, there has been a seismic change of how we do business. Email, texting, and social media have revolutionized how we communicate with one another and with our clients on both a personal and professional level. TREND, online standard forms, e-Signature programs (and much more) have made us more efficient in our business. And, as the feature story on page 12 , there are technologies here and on the horizon that will make the homes we sell and show, more dynamic.

But does all this technology change how we fundamentally do business? We all know the answer is no. Sure, technology has made many aspects of our business "easier". However, it also has made it easier for our clients to perform some of the tasks that were once a cornerstone. I don't say this with any regret but rather as a fact of today's information age that benefits all of us. The answer is no because the cornerstone of our business is personal relationships. We cultivate relationships to gain clients and, simply, when we do well for our clients we'll maintain them and gain referrals. Technology provides great tools to manage these personal connections, but we have to demonstrate much more to our clients that goes beyond the technology available.

Technology has made us more efficient, but it has also raised the temptation to take short cuts and assume more of the client. This disconnect can prove dangerous, especially when we rely on such intricate forms to protect both them and us during the transaction. While it is easy to send a form to the client for their eSignature, we do risk them not reading and/or comprehending what they are signing. Another example is that we assume clients (and colleagues) prefer communications in the same way that we prefer to receive our communications. This can lead to messages being missed or annoyance to the client/colleague. Ultimately, by taking some extra time to identify how individuals prefer to be communicated with can go a long way. It does feel at times that our industry has embraced the notion that Internet and social media are the new bonding opportunities and they've replaced those one-on-one relationships that we employed so successfully for years within our industry.

I embrace technology in my business. However, I realize it is just one of many tools I can employ to make my business successful. At the end of the day, we cannot underestimate the importance of the personal touch with our clients and amongst each other. ■


DAVE ASH, GRI
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Who Are REALTORS®?

Annually, the National Association of REALTORS® surveys its members across the U.S. to better understand the makeup of its membership. The survey and resulting report sheds light on the various economic and demographic characteristics of the REALTOR® and their business practices, including: education, specialty, tenure, compensation, technology use and much more.

I wanted to share some of the highlights of the 2015 report as it is always interesting for our members to see how they compare to the REALTOR® population as a whole.

Demographic Characteristics of REALTORS®

- The typical REALTOR® is a 57-year old white female who attended college and is a homeowner.
- Fifty-eight percent of all REALTORS® are female, which is up one percent from last year.
- Seventy-seven percent of REALTORS® said that real estate was their only occupation, and that number jumps to eighty-five percent among members with 16 or more years of experience, compared to sixty-one percent of members with two years or less experience.

Business Characteristics of REALTORS®

- The typical REALTOR® has 12 years of experience.
- REALTORS® continue to adapt to consumers' online and communications preferences. Sixty-five percent of members are now using social media, compared to thirty-five percent in 2008. Text messaging is now listed by eighty-five percent of members as preferred method of communication, compared to forty percent in 2010.
- Eighty-four percent of REALTORS® are certain they will remain in the business for two more years – a significant rise from seventy-five percent in the 2011 report.

Business Activity of REALTORS®

- In 2014, the typical agent had eleven transactions—a decrease of one transaction from 2013.
- For the second year in a row, the difficulty in finding the right property is the top reason holding back potential clients. Difficulty in obtaining mortgage financing is the second most cited reason.
- The typical REALTOR® earned twenty percent of their business from past clients and customers, a share slightly below the previous two years.

Income and Expenses of REALTORS®

- Percentage split-commission is the prevailing method for REALTOR® compensation, with roughly seventy-four percent of respondents indicating this method of compensation, an increase of six percent over last year.
- Despite a modest setback from 2013 (\$47,700) the median gross income of REALTORS® in 2014 (\$45,800) was the second highest since the downturn and up over five percent from 2012 (\$43,500) in 2012.
- The median business expenses rose from \$6,560 in 2013 to \$6,710 in 2014.

Anne Marie Matteo

ANNE MARIE MATTEO, CAE, RCE
CHIEF EXECUTIVE OFFICER

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Legislative Issues Brewing in Pennsylvania

By Bill McFalls, Jr., ABR, CRS, GRI, GRN (District 2 Vice President)

As sure as the sun comes up in the east each morning, legislative issues continue to threaten REALTORS® and consumers in Pennsylvania. Some of the key items that the PAR is monitoring and playing a part in developing are as follows:

The Governor's 2015-16 Budget Proposal contained some issues that REALTORS® can support (real estate tax reduction) and others that it cannot (tax on real estate services). A counter proposal from the House also contained issues we support (reduction in real estate taxes and referendums for local increases) but some we cannot (we prefer elimination of real estate taxes, not reduction). While discussions are ongoing with no clear "winner" in sight, I can tell you that PAR Leadership has a seat at the table with both groups involved in this budget process with the stated goal of eliminating school taxes and not creating an additional tax on our services.

Another issue is that blighted properties continue to be a major impediment in some communities. Unfortunately, while many "programs" are suggested to fight this issue, nothing really gets done and only additional levels of government are created. PAR supports the elimination of blight, but we are requesting that the legislature study all of the programs available to see if we can streamline the corrective actions needed to end blight and add a higher level of private investment and participation.

Lastly, PAR continues its efforts to increase the professionalism and education of REALTORS® in the state and has been working closely with the Real Estate Commission on increasing those standards and quality. We expect to produce some changes to current education and entry to real estate requirements.

The efforts are continuous and your support of RPAC allows us to "be at the table and not on the menu". ■

School Funding Formula Crucial, But Pension Crisis Looms

By Jamie Ridge, Suburban REALTORS® Alliance President/CEO

Much has been written over the past year about a proposed new education funding formula for Pennsylvania schools. As reported, the new formula would mark an important first step on the road to getting the state's dysfunctional education funding system back on the right track. Most importantly, the funding formula promises to put school districts throughout the Commonwealth on more equal ground when it comes to education appropriations from the state.

If enacted by the legislature and Gov. Tom Wolf, the new formula will: 1) provide funding based on the average number of students in each district over the past three years; 2) give extra funding for impoverished students and English language learners in each district; 3) consider the number of students attending charter schools in a district to help cover the cost of revenue that follows students to those schools; and 4) factor in median household income, the local tax burden and taxing capacity of each district to help gauge the population's ability to generate school funding. All of these steps will help ease the tremendous burden that poorer school districts in our region have faced over the past several years because no equalizing formula has been in place in the state.

REALTORS® should strongly consider supporting this new formula because it will help eliminate some of the inequities in state funding that have caused property taxes to soar in certain districts, making homes in those localities extremely hard to sell. But even this major reform, worked out over the past year, can't save school districts and tax payers from major budgetary pain ahead without further heavy lifting by state lawmakers who have been reluctant to make tough choices. First and foremost on the priority list after the funding formula is in place is reform of the state's public pension system, which threatens to place a heavy burden on taxpayers and deplete funds available for critical long-term investments – including education – if left untouched.

Who's to blame for the pension crisis? While there is some disagreement regarding what should be done to fix the system, even most state legislators would agree that bi-partisan government negligence is mostly to blame. Years of large benefit increases, negligent underfunding, and several recessions have left the state's public pension funds in a huge budget hole. It is estimated that the two

largest pension systems in the state – covering teachers and other government employees—are underfunded by more than \$50 billion dollars.

How serious is this issue? The PA Institute of Certified Public Accountants says that at the state level, taxpayer contributions to pension plans will increase to \$3.3 billion, or nearly 10 percent of the budget, by 2020. That's compared to the \$1.7 billion, or 6 percent of the budget, made in contributions this year. According to the CPAs, that rate of debt increase is "fiscally unsustainable and will prove increasingly unacceptable to taxpayers who must either pay increased taxes or forgo other services to pay for these liabilities."

The effect of the pension crisis on school districts is already being felt. Beginning this month, the annual contribution level for districts to the pension fund will jump to 25.8%, up from 16.9% only two years ago. By 2019-20, that number will skyrocket to 32.2%. The fact that school districts are being asked to pay for more and more of the pension costs has much to do with the growing property tax burden we are feeling at the local level in southeastern PA. And much like the added government spending needed to cover entitlement debt at the federal level in the massive Social Security and Medicare programs, these school pension liabilities are beginning to "crowd out" investments that are needed to ensure a strong work force for the future of the Commonwealth.

What's needed to fix the system? Most pension and budget experts agree that moving new employees into a defined contribution plan with 401(k)-style benefits would be a good first step. A tougher, more impactful fix might include rolling back benefit formula changes that some experts say produced the present-day crisis. Looking to other states that have dealt more effectively with their own pension challenges will also be critical.

As both citizens of the state and small business owners, REALTORS® should strongly consider voicing their support for legislators who make the tough choices necessary to put the pension system back on a sustainable path before it's too late. As our elected officials, those same legislators must be willing to place the needs of both present and future Pennsylvanians ahead of their own political careers when making these tough choices. ■

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Ethics and Professionalism in an Electronic World

By Paula Tansey, RCE, e-Pro (Association Staff)

Technology has had many positive impressions on real estate and REALTORS®. Technology has raised productivity, increased efficiency and generally allowed REALTORS® to respond to the plugged-in consumer. Technology reduces the amount of face time between REALTORS® and between REALTORS® and their clients. A real estate transaction can be conducted almost entirely without ever meeting the client or the cooperating REALTOR®.

In 2013, a task force of Suburban West members met to consider the practical issues facing REALTORS® in an electronic world and to define some best practices, tips and reminders. What follows is a summary of their findings which still hold true today.

To begin, the task force addressed the question of the REALTOR®'s value to a faceless transaction. The general consensus is that the REALTOR®'S value lies in the agency relationship which gives the consumer a trusted confidant with knowledgeable and experience with the process. Unfortunately, some areas of practice such as explaining the purchase and agency contracts, qualifying a consumer (buyer or seller) and obtaining a buyer financial statement are suffering from lack of face to face meetings.

Establishing the Ground Rules

Discover and define the expectations of the humans in a particular transaction. The expectations will change with each transaction and relationship.

- Discover the level of comfort or preferences of all parties (buyer, seller, and other agents) with various forms of communication. The REALTOR® needs to know who prefers text, email, telephone, etc. The REALTOR® then becomes the translator of sorts. Taking in information from one source in the preferred delivery method of the sender and forwarding it in a manner that is comfortable to the receiver.
- Discover the experience level of the client. Is a faceless transaction appropriate for the client? It is not unreasonable for the REALTOR® to define the venue for explaining important documents; explanations without which the REALTOR® loses their value in the transaction and puts their client at risk. If necessary require a face to face meeting – even an electronic

one (Skype for example). It is within the REALTORS control to set the expectation for how much personal touch will be applied to the transaction.

- Define how negotiations will take place. Do the parties intend to be bound by their texts or email communications? How will you protect your client in these communications? Is legal advice necessary in these decisions?

Some Specific Practical Tips

First Deposit Checks: (This tip has been updated by staff to reflect the recent updates to the Agreement of Sale) The increased use of electronic signatures has created a risk for REALTORS® and their clients; specifically with respect to first deposits. The default date for a first deposit in the pre-printed contract is five, but that date is negotiable between buyer and seller and should be changed to reflect the result of those negotiations. The change from ‘upon signing’ to a fill-in-the-blank number of days was made to reflect the realities of electronic signatures which make it impossible to tender a check ‘upon signing’.

The validity of the Agreement of Sale is not contingent on the deposit. However, in the case of any agreement that requires a deposit, the buyer will be in default if the deposit is not received on the date specified. Note that the deposit must be RECEIVED on the date specified not be ‘in the mail’ or otherwise, ‘on the way’ on the date specified.

Email and texts: When email or text is the preferred communication of any of the parties here are some important considerations:

- Think before forwarding a message.
- What is in this message?
- Who is your client and is your client protected in this message?
- Pick up the phone and request alternative delivery method if necessary
- Acknowledge and request acknowledgement of important electronic communications

Managing a faceless transaction effectively requires a return to the basics with consideration of “Who do I represent” and “How best can I do that”. ■

Realty Tech Talk Series

By Rajeev Sajja (Vice President of Digital Innovation for Berkshire Hathaway HomeServices Fox & Roach)

The Association is excited to continue our “Realty Tech Talk Series” written by Vice President of Digital Innovation of Berkshire Hathaway HomeServices Fox & Roach, Rajeev Sajja. These monthly segments of Realty Tech Talk are intended to help you become more tech savvy with the sole purpose of growing your real estate business through increased productivity.

The Powerful Email Productivity Tool You Have Been Waiting For

The Outlook App for iOS and Android was recently introduced by Microsoft to address a pressing need for users to make email and related functions easy and efficient to use on their mobile devices. The Outlook app is Microsoft’s attempt to make a mark in the mobile-first world.

One of my favorite things about the Outlook app is the navigation along the bottom. You can single-handedly tap between your inbox, calendar, files and recent contacts. In the mail tab, Microsoft has two main inbox views to help you through your mail, “Focused” and “Other”. The Focused list smartly moves things that Outlook thinks are important to you. All other messages are filtered into Other. Among its features: you can swipe on an email in a list to take an action, and you have the ability to “schedule” an email to go away and reappear at a time you choose. The key thing I like about Outlook is that it combines your email and your calendar from multiple devices. In the iOS version, you can quickly hop between Mail and Calendar by tapping one of the icons at the bottom of the screen. On Android, these choices are in a menu.

For file storage, you can instantly hook into Google Drive, One Drive, Dropbox and Box. There are focus lists and scheduling options to help you get through your inbox faster and your calendar is only a tap away. In terms of file integration, one tap and you have access to every single file in your inbox. You can even see stuff you have stored that isn’t in your email. If any single feature will sell you on Outlook on a regular basis, file handling will be it. Google is also working on its version of Inbox that will definitely compete with Outlook, but for now, the direction Microsoft took feels right this time. If they can follow through, Outlook could just be the mobile mail app many of have been waiting for.



Rajeev Sajja

Manage Life's Most Important Paperwork with Docady

Have you ever wondered if there was an easier-to-use system for all of your personal documents? Most people have a folder at home with these documents that will not survive fire or other unplanned life events. Enter, **Docady**, a mobile app that helps you manage all your life’s most important documents.

Although it may seem risky to have a centralized online location where you store all of your sensitive files, using Docady makes keeping track of those documents much more manageable. I have been using the app for some time now, and there appears to be strong security features built into the app that gives me a level of comfort to continue using it. The app also has an intuitive feature that helps you regulate your information, such as reminders when you need to renew your passport or driver’s license etc. You can also connect any of the popular cloud storage services, so it can search for important documents and get your approval to store in Docady.

When I bought my home, I would have liked my REALTOR® to suggest an app like this to simplify my life (of course with all of the standard disclaimers!). There are certainly some security questions the app raises, but the need for a service like this is undeniable, and Docady does a good job of it. Stay calm; stay collected with Docady! ■



THE SMART HOME IS HERE

**AND IT MATTERS TO
OUR BUSINESS**

By Chad Curry, Managing Director
Center for REALTOR® Technology, NAR

What if, as a homeowner, you could change the temperature on your thermostat on an unseasonably warm day while at a baseball game? Or unlock your home's front door for your child while at work? Or set your lights to turn on while in a late meeting? All of this and much more is possible with devices you can buy in stores today at a relatively good price point. These smart products are part of class of devices called the Internet of Things. These 'things' will become common household items within the next 18-24 months and real estate professionals will be asked about them by buyers and sellers.

NAR's most recent Home Buyers and Sellers Report indicated that buyers are concerned about energy efficient features. 86% of respondents said that heating and cooling costs were at least somewhat important to them. They also indicated in that report that lighting efficiency was important. These things are controllable by using smart devices.

Recently, REALTOR® Magazine wrote about the Internet of Things and its potential impact on our industry. This great article talks about a number of use cases in our industry. What I'm going to do is focus on a few specific areas to give you a sense of how these devices will work for homeowners. The more you know about them the better. In the future, they will be sold as home amenities, just like granite countertops.

WHAT IS THE INTERNET OF THINGS?

The term Internet of Things was coined in 1999 to define common everyday objects that included embedded technologies connecting them to the internet. This allows for control via mobile devices and the capture of data on their usage. The Internet of Things (IoT) technologies (beacons, wearables and smart home devices) will influence how REALTORS® do business and how they think about data.

In this article, we'll focus on smart home devices and what they mean for homeowners. With companies like Google, Apple, Samsung and GE are making moves in the space, the smart home of the future is happening now. Ease of control and access to data are all selling points for these devices. But really, it comes down to better quality of life. If you can improve your home's energy efficiency, save homeowners money and time, the value of the device goes up. Iteratively building a smart home is cheaper and easier than ever.

In the future, we at CRT, are confident listing data will become augmented and made more valuable by IoT devices. The data gathered can improve quality of life for homeowners and become a conversation for members to engage in, offering suggestions on how to improve a home's livability. Members, associations, MLSs and vendors need to understand the implications of Internet of Things technologies due to their growing popularity. It is widely estimated that between 26-50 billion IoT devices will be connected by the year 2020. To give some perspective, there are nearly 3 billion smart phones connected to the web currently. The amount of data produced by these devices will be staggering. Clients will be looking to members to provide recommendations and insights into these technologies. The more you know now about these products, the better you'll be able to help these clients.

HEATING AND COOLING

The most well-known option for smart thermostats is the Google-owned subsidiary Nest Learning Thermostat (\$249). Other makers in this space are Honeywell (Lyric, \$249) and Ecobee (\$229). These thermostats are helping homeowners save energy and money. For this article, we'll focus on the Nest. It was developed by one of the developer of the iPod hardware and is easy to install, use and interact with.

The Nest has been around for a few years and it is continually evolving via software updates. Recently, new software improved the Nest's efficiency. It learns your behavior and will adjust temperature based on when you arrive, when you leave or when you program it. You can also modify temperature on the fly and see if anyone adjusts the thermostat all from your smartphone. Comfort and energy efficiency are two key wins for the Nest. It learns your likes and behaviors in order to provide a satisfying temperature. In order to save energy in its eco mode, it will shave a degree or two from the setting to help save energy.

Nest says that the thermostat will pay for itself in a year through energy savings and this is proving out in our tests. Utilities are starting to take notice too. Some, in fact, have partnered with smart thermostat makers like Nest to offer rebates on the purchase of these devices. Other utilities are literally giving away these devices. Why? Because devices like the Nest have another effect on the market; they're helping reduce the amount of energy needed during critical peak hours.

In an MIT Technology Review article last year, it was reported that Nest helped utilities in Austin avoid roll over to a more expensive generator during one of the hottest days of the year. They did so by getting homeowners with Nests to opt in to a program to allow Nest to control their thermostats by 1-2 degrees. Doing this on a few thousand thermostats kept the load on the grid. Importantly, this also kept rates down for the homeowners. This is a perfect example of what smart home devices could mean for your clients. It is a way to improve quality of life not just for them, but the entire city.

As a real estate professional, knowing how these devices work and what they mean for homeowners will become a differentiator not in the future, but today. Homeowners are very aware of these devices and will come with questions about the features and benefits of these devices. They're being sold at major hardware and department stores around the country. If it turns out they're not aware of these devices, it becomes a conversation or a closing gift that will help improve their home's energy efficiency and save them money.

HOME ACCESS

Think about your life. As a homeowner, keys play a big part in our personal life. If you lose them, you have a hard time going about getting access to your home. Or, if your child loses them, or spouse, you've got to replace them. Plus, allowing access cable companies, plumbers, or the neighbor to watch your cat can be a stressful thing. Time and effort come into play.

Recently, NAR's REach Accelerator announced its class of technology companies participating in the accelerator. A notable company on that list is August. They manufacture a smart lock that improves home access for the homeowner by providing a way to send virtual keys to other users' smartphones. This allows you to know who is accessing your home when. August (\$249) is one of several in this space of home access, which includes companies like KwikSet (Kevo, \$220) & Yale (\$275). Because we've been able to test an August, I'll talk about how it could work for homeowners.

The wonderful thing about systems like August, is that the keys are on your phone... BUT you can also still use your regular keys. August installs on the back of your door, replacing the back mechanism of your traditional standard lock. It connects with your phone using bluetooth. So, access with traditional keys still works, but you can also use virtual keys and send them to other people. They're also very handy if your hands are full from the grocery store. You can set your August to unlock when you are within a certain proximity of your door and also re-lock after a certain amount of time. Mine is set to 30 seconds.

What these home access systems give you is a wealth of information about who is accessing your home and when. You can see when your kids arrive and leave, when the plumber arrives and how long they were on site for or when your houseguest arrives. The wonderful thing is that you can also enable & disable their keys from wherever you are or open your door for your child should they get home and need to get in. For the amount of time and effort you may spend getting keys to houseguests, neighbors or kids, you're saving by installing one of these locks. Homeowners would love a closing gift that streamlines the use of keys in their new homes.

SMART LIGHTING & CONTROL HUBS

LED lighting is providing more efficient and cost-effective options to homeowners. If you had smart lights, you could adjust them on arrival to your home, have them adjust at set hours or just have a porch light turn on for arriving guests. Lights from a company called Cree are doing so very cheaply and on a large scale. The Cree Connected bulb (\$15 per bulb) will provide 60 watts of light and will last for 25,000 hours. These bulbs are controllable from your phone via hubs. These hubs, like the Wink from Quirky & GE (\$50) will not only control these bulbs but also your other smart devices. So, think about this, you can start your iterative smart home for a total of \$65 dollars. One bulb and a hub will get you going. Imagine a closing gift of one Wink Hub and three Cree Connected bulbs for around \$100 and how that will help you stand out. You can very inexpensively help the homeowner improve lighting efficiency and get them started on their smart home journey. They will remember that and it will make you stand out.

THE ISSUE OF SECURITY AND THE IOT

Issues with security and access are top of mind for these devices. People, even the chairwoman of the FTC, Edith Ramirez, have raised this concern. You wouldn't want someone to access your devices through your network. Manufacturers are working on encrypting their software and improving the protocols to address these concerns. One way you or a homeowner can immediately improve security is making sure you have strong passwords on your network and your devices. That's another article entirely, but you can get started by reading this great piece from security expert Bruce Schneier.

Another security movement is gaining momentum from security researchers. Build it Securely was started to improve security on these devices. These researchers are offering their services to Internet of Things manufacturers to help improve their security. We at CRT are partnering with Build it Securely to help promote this initiative and improve security on these devices.

YOUR ROLE AS A REAL ESTATE AGENT

As previously mentioned, buyers and sellers are gaining awareness of these devices. Major department stores and hardware stores are carrying smart home devices. As an agent, your knowledge and awareness of these devices will serve as a differentiator. Internet of Things devices are becoming cost-effective ways to improve the home and increase its value. They are gaining in popularity and use. The more you know about how to help homeowners save money and time using these devices, the more they'll look to you for advice on these devices. From making the home more comfortable, more accessible and efficiently lit, you'll be seen as someone who can help them improve their quality of life with an iterative smart home.

Chad Curry is Managing Director of the Center for REALTOR® Technology at the National Association of REALTORS®. His team is a multi-disciplinary tech research group concerned with where technology is going and what it means for real estate. They're currently steeped in the Internet of Things and its role in real estate.

Qualifications for Housing for Older Persons

The Fair Housing Act (the Act) protects people from discrimination in housing based on race, color, religion, national origin, sex, disability and familial status. Generally, the Act applies to all types of housing, with just a few exemptions. One of the exemptions to the Act is for qualified senior housing, exempted by the Housing for Older Persons Act (HOPA).

The Act exempts “housing for older persons” from the Fair Housing Act’s prohibition of discrimination against families with children in two categories: 100% of the occupants must be 62 years of age or older or 80% of the occupied units must be occupied by at least one person who is 55 or older. HOPA also requires that a facility or community seeking to claim the 55 and older exemption show the following two factors: (1) that the housing be intended and operated for persons 55 years of age or older; and (2) the housing facility or community publish and adhere to policies and procedures that demonstrate its intent to qualify for the exemption.

HOPA also requires that a housing facility or community seeking the 55 and older exemption comply with HUD regulations on verification of occupancy. This should be performed through reliable survey, affidavit or other documentation which confirms that the 80% threshold is being met. Copies of information gathered in support of the occupancy verification may be kept in a separate file with limited access, created for the sole purpose of complying with HOPA and should be reviewed and updated every 2 years.

HOPA, adopted in 1995, established a five year transition period until May 3, 2000 to provide a mechanism for communities or facilities to become housing for older persons, if they had abandoned or did not achieve such status before HOPA. Since the transition period has expired, there are now two ways a community can legally establish “housing for older persons” and qualify for the exemption to the Act.

First, a community can convert to “housing for older persons” if 80 percent of its occupied units become occupied by at least one person 55 years of age or older. However, the housing community may not obtain the 80 percent threshold by discriminating against families with children. Additionally, the facility or community cannot publish such policies or procedures in advance of meeting the 80 percent threshold as such policies and procedures would have a chilling impact upon

potential applicants or current occupants who are families with children. A second way to establish housing for older persons is to construct a new housing community or facility and meet the requirements set forth in HOPA.

In regards to the housing facility or community publishing and adhering to policies and procedures that demonstrate its intent to qualify for the 55 and older exemption, the regulations state that simply publishing that this is an “adult community” is not sufficient to meet this standard. Clear policies and procedures must be published and adhered to. When advertising, the guidelines state that the best practice is to refer to such housing as “Senior Housing” or “A 55 and older community” or “retirement community” and discourages the use of the term “adult housing” or similar language.

While the use of adult housing or similar phrases, standing alone, do not destroy the intent requirement of HOPA, the regulations state that they send a clear message which is inconsistent with the intent to be housing for older persons. If a community or facility has clearly shown its intent in other ways, and meets the 80% requirement, then the intent requirement has been met even if the phrase “adult” or similar terminology is occasionally used. However, a community that describes itself as “adult,” leaves itself vulnerable to complaints about its eligibility for the exemption, which could result in an investigation or litigation to determine whether the community in fact qualifies for the exemption. ■

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The author and publisher are solely responsible for the accuracy of the statements and interpretations contained in this publication. Such interpretations do not necessarily reflect the views of the Federal Government. If you have any questions about the topic covered in this column or if there is a topic you would like to see the Fair Housing Council of Suburban Philadelphia address in the next column, please contact us at (267) 419-8918 or information@fhcsp.com.





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Association

■ Suburban West Sponsors School Awards -

This past spring, Suburban West once again showed its support of local schools. For over 15 years, the Association has sponsored most improved student awards at Culbertson Elementary School and Paxon Hollow Middle School in the Marple-Newtown school district. The organization also has long sponsored the “It’s Mathematical” interscholastic math competition between Conestoga, Radnor, Delaware County Christian, Marple-Newtown and Lower Merion high schools. Suburban West thanks Jim Ryal (Culbertson), Andrew Wetzel (Paxon Hollow) and Steve D’Antonio (It’s Mathematical; pictured above with 1st Place Conestoga students) for volunteering to represent the association at these events and congratulates all the students for their academic achievement and effort.

Industry

■ CFPB Proposes Two-Month Delay Implementing TRID -

On June 17, the Consumer Financial Protection Board (CFPB) proposed a two-month delay in the implementation of the Truth in Lending Act and Real Estate Settlement Procedures Act Integrated Disclosure (TRID) to October 1, 2015. The proposal comes after an administrative error was discovered that would have delayed the effective date of the rule by two weeks. A later effective date would also better accommodate the interests of the many consumers and providers whose families will be busy with the transition to the new school year at that time. The proposed delay follows an earlier announcement by the CFPB of a grace period for enforcement of the new rule. That grace period was expected to last through the end of the year. The National Association of REALTORS has been at the forefront along with the Mortgage Bankers Association in requesting a delay.

■ **Census Data: Strong Growth in Philadelphia’s Far Western Suburbs** - Towns in Chester and Montgomery counties recorded the biggest one-year population gains among Southeastern

Pennsylvania communities last year, according to new Census Bureau data that showed gains and losses in communities across the country for the year ending in July 2014. Overall, Chester county towns have shown some of the region’s most robust growth driven by the development along the Route 202 corridor. Chester County has been the fastest growing in the region, with about a 18% increase in population from 2000 - 2014. Additionally, Delaware County continued to grow at about 0.8% since the last Census in 2010.

Memorial Notices

■ **Edward K. Applegate, Jr.** passed away on March 20th, 2015 at the age of 88. Ed was a REALTOR® Emeritus with Berkshire Hathaway HomeServices Fox & Roach REALTORS® in Newtown Square and was a member of the Association for 40 years. He was a founding owner of Gatewood REALTORS® in Havertown.

■ **Phyllis Rose McCabe** peacefully passed away on April 14, 2015 at the age of 77. Phyllis was a REALTOR® with Long and Foster in Media and was a member of the Association for 28 years. She was the mother-in-law of REALTOR® Steven Eckell, also with Long and Foster in Media. In lieu of flowers, the family has requested donations to the Abramson Cancer Center at Penn Medicine Development, 3535 Market Street, Suite 750, Philadelphia, PA 19104 or the Ocean City Humane Society, 1 Shelter Road Ocean City, New Jersey 08226 in Phyllis’s name.

■ **Dan Haley** passed away on April 30, 2015. Dan was a member of the Chester County Association of REALTORS® and most recently affiliated with RE/MAX Action Associates in Exton.

■ **Richard G. Seget** peacefully passed away on May 1st, 2015 at the age of 68. In lieu of flowers, the family requests that contributions be sent to Neighborhood Hospice, 400 E. Marshall Street, West Chester, PA 19380.\

■ **Morton Weinstock** passed away on May 5th, 2015. Mort was a REALTOR® with Long and Foster in Haverford and was a member of the Association for 19 years. He was the husband of REALTOR® Phyllis Weinstock, also with Long and Foster in Haverford. In lieu of flowers, the family requests that contributions be sent to the Har Zion Synagogue – Randy Marc Weinstock and Joel Benjamin Weinstock Scholarship Fund; 1500 Hagys Ford Rd, Penn Valley, PA 19072 or the American Cancer Bike-a-Thon – Team KTMC.



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Attention Members!

RPAC Protects Your Real Estate Career and Homeownership

The REALTORS® Political Action Committee (RPAC) gives REALTORS® an influential voice on the issues that matter most to your industry and clients.

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Association Scrapbook

Highlighting Suburban West members in action at Association events, classes and community events.

REALTOR® Happy Hour & Headshots – May 5 (Rose Tree Inn, Media)



More than 75 members were in attendance for our annual Happy Hour in Delaware County. Suburban West holds six dedicated networking events a year throughout our membership area. The next Happy Hour is scheduled for August 12 at AVE in Malvern.



REALTOR® member and photographer Carl Adams shoots a professional head photo for a member at the event. Members made a \$30 donation to RPAC and received a digital copy of their headshot.

Starbucks Morning: Overview of PA Zoning and Planning – May 15 (Hilton Garden Inn, Kennett Square)



Over 40 members attended the Starbucks Morning seminar in southern Chester County. Our event in Kennett Square exemplifies Suburban West's commitment to bringing its seminars and education courses to convenient locations throughout the membership area.



Former Director of the Chester County Planning Commission, George Fasic, was an entertaining and informative presenter on zoning and planning. George provided a history of planning in the area and some of the ongoing challenges being faced today.

RPAC Sweepstakes and Telethon – June 9 and June 17 (SWRA, Malvern)



(L to R) REALTOR® members Shelia Firor, Beth Myers and Jamie Roller pose for a picture at the Happy Hour. Besides networking, the event featured drink specials and free appetizers for members.



Affiliate member Jamie Meissner of Inspect It 1st picks a winner for their \$50 Gift Card to Iron Hill prize. Showing their support of Suburban West and the REALTOR® community, five affiliate members in total donated prizes for the Happy Hour.



(L to R) REALTOR member Pam Harper poses with Ann Anastasi after having just won an Apple iWatch as part of the RPAC Sweepstakes. Pam was one of over 200 entrants into the contest who had donated \$15 or more to RPAC between March 18th and the June 9th drawing. Another RPAC Sweepstakes is now underway for a \$500 Visa Gift Card.



REALTORS® Susan Bell and Dominic Cardone make phone calls during Suburban West's annual RPAC Telethon. 17 members were present that day helping to raise money for the important legislative work that RPAC helps facilitate on a local, state and national level. The telethon raised nearly \$30,000 in just one day.

New Member Orientation - May 14 and June 13 (SWRA, Malvern)



REALTOR® Shannon Diiorio welcomes new Suburban West REALTOR members to the organization at the May 14th Orientation session. Shannon is one of many veteran members who volunteers to talk about their beginnings in the business, the value they've received from Suburban West tools and services and to answer questions of attendees.



New Suburban West REALTOR® members participate in the "Bingo" ice breaker at New Member Orientation at the June 13th New Member Orientation session. This opening exercise demonstrates the importance of establishing relationships in the business and how Suburban West provides opportunities to meet REALTORS® throughout the area.

School Awards – June 15 and June 16 (Culbertson Elementary and Paxon Hollow Middle School, Marple-Newtown)



Past Suburban West chairman Jim Ryal poses with the recipients of the Most Improved Student award at Culbertson Elementary School. As Suburban West is dedicated to helping its members improve their business through education, we are proud to support the education achievements of students throughout the area.



REALTOR® member Andrew Wetzel gives the Most Improved Student award during the Promotion Ceremony at Paxon Hollow Middle School. For nearly 15 years, Suburban West has sponsored school awards in the Marple-Newtown school district.



Helping to Facilitate a Short Sale

Bill McCormick Helps Navigate REALTORS® and Their Clients Through the Short Sale Process

We are pleased to spotlight Bill McCormick of CK Capital Management. Bill is an active affiliate member and supporter of Suburban West, having sponsored courses, seminars and advertised on the Association's website. A complete listing of Affiliate members is available on our website. Log on to www.suburbanwestrealtors.com and access the Affiliates First section for more information.

Please share with us your background and career track.

I started out of college in a technology sales position and eventually transitioned into the financial services industry. I worked primarily for international capital equipment finance organizations before working with a group of former associates to start up our own financial services organization.

Several years later I started investing in real estate part-time. This led me to combine my financial services expertise along with my real estate experience to start a short sale facilitation company. My wife and I have been doing this ever since with our team of associates.

What qualifies a homeowner for a short sale?

In addition to the property value being less than what the homeowner owes their mortgage company, lenders typically require that a homeowner be able to demonstrate some form of financial hardship (ex. divorce, job loss, medical illness or death of a borrower).

What qualifies a homeowner for a short sale?

Each market we serve is a bit different, but locally we are seeing a recent spike in new short sale listings with those agents we work with. Sellers who were holding out for their property values to increase have decided to enter the market and sell their property. Additionally, homeowners that had adjustable rate mortgages which are now resetting cannot afford their increased mortgage payments and are forced to sell their property.

Some markets are a bit slower than others but even at the height of the market several years ago people still experienced financial hardship, so we see the short sale market continuing for some time.

How can agents protect themselves and their sellers when listing a short sale?

We recommend that agents stay away from giving legal or tax advice to their clients. We also recommend that the appropriate disclosure language be put in the remarks section of the MLS. Make sure there is language in the sales contract that protects a seller in the event a lender does not approve their short sale.

Always recommend that any client pursuing a short sale seek professional council either from an accountant, attorney or both.

At the end of a busy day how do you prepare yourself for the next challenge?

I spend some time every evening answering emails, speaking with clients, and getting caught up on any tasks I didn't get completed during the day. I take this time to plan for the next business day in order to be as responsive as I can towards our clients and the agents we work with. ■



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