

# BOARD BRIEFS


Your Voice for Real Estate In Lebanon County

1300 Florence Street, Lebanon, PA 17042

July 2009



## From the President, Joe Wentzel

 **Welcome to the second half of 2009...**



If you aren't using the website [www.lebanonopenhouses.com](http://www.lebanonopenhouses.com) by now you should start immediately. If you know nothing about this website, PLEASE, ask your broker, call me at 270-2154 or contact Mary at the board office at 272-6126.

This site is a wonderful marketing tool for everyone to use and will probably increase your business.

Your association is going to great lengths to promote this to the public, but the only way it will be successful is if YOU input all your open houses... Watch for the billboards and the advertising in all the local papers.

Well, after pushing to start using the new consumer notice, the deadline has been moved to a later date.

*The Commission has just announced an official "delay of game" for mandatory implementation of the new form. According to communications received from the Commission on Thursday, June 11:*

*"...the Commission has extended the implementation time for an additional **three months**. As such, licensees must begin using the new short-form Consumer Notice as of **SEPTEMBER 15, 2009**. Licensees may use either the new short-form Consumer Notice or the long-form Consumer Notice until September 15, 2009 **SO LONG AS** one of the forms are used whenever there is an initial interview."*

On a much rosier note...the Strawberry Shortcake Booth was once again a huge success thanks to Joan Walmer and everyone who gave their precious time. The "unofficial" take for the GSH was approximately \$3,000.00. Again, thanks to all who volunteered to

help make this another successful REALTOR® event.

Hopefully July 1<sup>st</sup> will be sunny and bright so the participants in the golf outing will finally be able to tee it up. Unfortunately we got rained out on June 5<sup>th</sup> but still managed to enjoy a delicious cooked meal from Norbie's Steaks. Hopefully everyone had a great time at the dinner and we look forward to doing it again next year.

Don't forget July 6<sup>th</sup> is the next luncheon. Let's see if we can top the last luncheon attendance. Ask around and bring a fellow REALTOR® who hasn't been to a luncheon for a while... Hope to see you all there.



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### Dates To Remember...

July:

- 3 Office Closed
- 4 Happy Independence Day!
- 6 Luncheon Meeting



SEE THE FULL CALENDAR OF EVENTS

EVENT DETAILS AT:

[WWW.LEBANON-REALTORS.COM](http://WWW.LEBANON-REALTORS.COM)

## First-time Home Buyers Grabbing Houses and Tax Credit

(Posted 6/3/09 Consumer News and Advice, Home Buying 101, Today's Marketplace)

RISMEDIA, June 4, 2009-(MCT)-Generation Y is getting jazzed about a new \$8,000 federal tax credit for first-time home buyers-jumping at the opportunity to move up and out of their rentals.

"The last 90 days I've seen it go crazy," Kevin Foster, a real estate agent with Reece & Nichols in Lee's Summit, said Tuesday. "Every conference room has been full with agents working on offers, and many are people in their 20s."

Peter Abbey, 26, and his girlfriend, Abigail Barnett, 27, were among them.

Abbey, bar manager at Avenue Bistro in Kansas City, and Barnett, a hospital administrative assistant, had been saving to buy a house the past couple of years but weren't quite there yet until Congress approved the expanded tax credit in February.

Now they're leaving their rented home in the city for their own place in Roeland Park.

"We were saving money and waiting for the right time, and that definitely helped give us a push," Abbey said. "We were able to buy a little bit earlier because of the government tax credit."

The Kansas City Regional Association of Realtors said April sales of new and existing homes were up 10% from March, with almost 2,500 homes sold. "We're seeing a lot of first-time buyers back in the market again," said Chris Collins of Keller-Williams and president of the association. "The tax credit along with historically low mortgage rates is affecting the market."

The tax credit was part of President Barack Obama's \$787 billion American Recovery and Reinvestment Act. It's available to people buying their first home in 2009 as long as the purchase is completed by Dec. 1.

Because of the one- to two-month lag between a contract and a done deal, many home buyers are making offers on homes now.

As opposed to a \$7,500 tax credit available in 2008, the latest incentive doesn't have to be repaid if the taxpayer remains in the home for at least three years.

At the national level, a report Tuesday said pending home sales in April were up 6.7% from March, the biggest monthly increase since October 2001, according to a seasonally adjusted index of sales contracts kept by the National Association of Realtors.

"We expect greater activity in the months ahead," Lawrence Yun, the Realtors' chief economist, said in a statement Tuesday.

Although economists are encouraged by signs that demand

for housing is returning, the outlook is far from sunny. Mortgage rates are rising, making homes less affordable for many borrowers.

The average rate for a 30-year, fixed-rate mortgage is about 5.3% this week compared with about 5% last week, according to Bank-rate.com.

The health of the U.S. housing market, mired in a three-year slump, is one of the key issues facing the economy. Though sales may be recovering, analysts cautioned that prices will take longer to stabilize because of the glut of unsold properties. Prices are unlikely to rise until foreclosures start declining, and that's unlikely to happen before the end next year.

The national median sales price in April plunged more than 15% from year-ago levels to \$170,200, driven by sales of inexpensive foreclosures and other distressed low-end properties.

That was the second-largest yearly price drop on record, according to the national Realtors' group.

But Jeff McCalmon of Suburban Financial/Tightwad Bank said the tax credit is getting the desired results.

"It's jump-starting the market because it gets started with first-time buyers and then other people move up," said McCalmon, who worked with Abbey and Barnett on obtaining their loan.

Shelley R. Denman, past president of the Mortgage Bankers Association of Greater Kansas City, said loan activity is on an upswing with about 50% coming from first-time buyers.

Her bank, Peoples Bank of Overland Park, has just completed the best three months since 2003.

"Ever since that (tax incentive) came out, we've seen a massive increase in first-time homebuyers," she said.

Kalie George is using the tax credit to help her buy a 1930s bungalow in Kansas City, Kan. She's getting a great price as well, \$34,000, because the house was in foreclosure.

"I'm 22 and a first-time buyer," she said. "It definitely made it more feasible to make things happen."

### Tax Credit Details:

- First-time home buyers can claim 10% of the home's purchase price on their tax return-up to \$8,000, or \$4,000 if married filing jointly.
- The home must be purchased by Dec. 1.
- The credit doesn't have to be repaid if the buyer lives in the home for 36 months after the purchase date.
- The Federal Housing Administration last week released details of a plan in which borrowers who use FHA loans can get advances from lenders that let them effectively receive the credit in advance, so they don't have to wait to get the money from the Internal Revenue Service.



## ASK THE ATTORNEY...

### SHORT SALE ABUSE

When a listed property will sell short, is the listing agent obligated to submit all written offers to the seller's mortgagee? I'm hearing from selling agents who complain that their buyers' offers are not being submitted to the seller's lender for consideration. In some cases, the buyer agents are told that the property is being purchased by another buyer (in many cases a property rehabilitation "specialist") from whom the property may then be purchased. What is anticipated is that the specialist will buy the property at short sale and immediately sell the property to the buyer whose offer was never submitted to the original seller's lender! In many cases, the ultimate purchaser pays no more than what was first offered to the original seller!

Does this make any sense? My guess is that the specialist purchased the property for an amount somewhat less than our original buyer had offered. The original buyer's offer, however, was never submitted to the lender and therefore never approved. It is likely that the specialist's offer was represented to the lender as the only, or highest offer. Based on that representation, the lender approved the sale.

The seller, who is not going to receive any proceeds from any sale, went along with the sale to the specialist, even though that offer was lower. Why? That is the hard part to figure. For a seller who may be liable for the loan deficiency, it is better to sell for the highest possible price in order to have the lowest possible deficiency.

The only parties to benefit from such a scheme are: 1) the specialist who buys low and sells higher; and 2) the licensee who participates in two transactions, thereby making more in commission.

These transactions are not transparent. They smell bad and should be avoided! It could be argued that a listing agent who represents the seller has no duty to advance the interest of the seller's lender by selling at the highest possible price. A legal and academic debate of this issue would be interesting, but we will save that for another day and I will just offer my opinion: a listing agent who intentionally keeps an offer from a seller's lender with the knowledge that the property will sell for less than the highest available offer, is committing fraud and exposing himself/herself to criminal and civil liability.

The only reasonable way of listing a property for short sale is to assure that an appropriate short sale addendum is part of every offer and that every offer is submitted to

the seller's lender for consideration. If a seller or anyone else precludes you from sharing the offer with the lender, consider withdrawing from the transaction. Just because you are unaware of any short sale having been audited or becoming the subject of a criminal investigation, does not mean that it will not happen. Buyer agents may consider making offers contingent upon submission to seller's lender within a set period of time. Circumventing the listing agent by advising the seller's lender that you are submitting an offer is not likely an unethical or illegal act in and of itself. If you are aware that the lender has already approved a short sale, then care should be exercised so that you are not intentionally interfering with a contract already made.

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2009

### MCE Course: Effective Negotiating

**Presented by Melanie McLane**

**Sept. 24, 2009 Lantern Lodge, Myerstown**

**Register no later than 9/17/09**

**\$140 pp (pre-register), incl. Lunch**

**Sign up forms posted on**

**[www.Lebanon-REALTORS.com](http://www.Lebanon-REALTORS.com)**

## MORTGAGES

- Home Loans
- Construction
- Lot Loans
- Refinancing
- Improvements
- Farms & Farmettes

 **FARM CREDIT**

800.477.9947



[farmcreditmortgage.com](http://farmcreditmortgage.com)



## **Scholarship Essay Contest Winners Announced**

The Lebanon County Association of Realtors® recently chose three winners of the high school essay contest. There were 33 applicants - 5 Annville-Cleona, 7 Cedar Crest, 6 N.Lebanon, 8 ELCO, 6 Palmyra, and 1 Blue Mountain Christian. Winners include Rachel K. Pityk, Cedar Crest High School, Alyssa Smith and Stephanie Horvat both from ELCO. All winning essays will be published in Board Briefs, beginning with Rachel's essay that follows.

### ***'Why You Should Use a Realtor® to Buy or Sell Your Home'***

Since homes are the largest asset most Americans own in their lifetime, professional guidance in the purchase and sale of homes is invaluable to buyers and sellers. Independent home sellers must constantly be prepared to show their home, and are often unaware of trends in the housing market and the intricate mechanics of home sale transactions. Approximately eighty percent of independent home sellers cannot sell their home and list their home with a professional Realtor® (For Sale By Owner). A Realtor® helps sellers market their home and receive fair value. Buyers benefit from using a Realtor® because of their extensive knowledge of available houses in the local market. Both buyers and sellers should use a Realtor® because of their professionalism, knowledge, code of ethics, and resources.

All real estate agents must pass an examination on real estate transactions and laws to obtain their licenses. Additionally, many real estate agents possess college degrees in real estate, finance, etc (Occupational Outlook Handbook). They are aware of the local housing market, housing inspections, value of homes, different types of loans, the importance of insurance and more (Help Buying or Selling a Home). Realtors® not only have this extensive knowledge, but Realtors® must undergo periodic training in addition to that required by the State Licensing Board (Why Use A REALTOR®?). Realtors® voluntarily agree to a rigid Code of Ethics (National Association of Realtors). The Realtors® Code of Ethics includes: promoting their client while treating all parties honestly, presenting all offers to their clients, and submitting offers and counter offers as quickly as possible (National Association of Realtors). Buyers and sellers should choose to use a Realtor® because of their experience and strong ethics.

Many Realtors® possess connections with mortgage bankers and attorneys. These connections benefit both buyers and sellers. The financial acumen of Realtors® enables them to direct buyers to suitably priced homes. Sellers using a Realtor® benefit from Realtors'® financial expertise by knowing which buyers are qualified to purchase their home and the current market price for a quick sale (For Sale By Owner). Working closely with mortgage brokers, Realtors® assist their clients in finding not only a home, but often a suitable mortgage.

Not only do Realtors® provide invaluable knowledge, but Realtors® aid sellers in the showing of their home. Independent home sellers are often unavailable to show their home during the regular business day. Since Realtors® are able to show the houses of their clients to potential buyers during the business day (For Sale By Owner) and they can advertise these houses on a multi-list, the chance of a home selling greatly increases.

The benefits Realtors® provide to their clients are invaluable. Realtors'® understanding of the local housing market enables sellers to sell their house quickly at the market price. On the other side of the transaction, Realtors'® knowledge helps buyers to find an affordable home and a mortgage. Both home buyers and sellers should use a Realtor® because Realtors'® professional guidance facilitates numerous, expedient, fair real estate transactions.

### **Great Summer Reads for REALTORS® !**

How many times do you tell your children over the summer to read? But when was the last time you read a book?? Many online book warehouses (Amazon, Barnes and Noble) have reading lists for any topic imaginable. Here are a few of the top real estate picks:

1. ***'Heart and Sold: How to Survive and Build a Recession-Proof Business'***, by Valerie Fitzgerald
2. ***'Short Sales and Loan Modifications: A Practical Guide for Real Estate Agents and Investors'***, by Kenneth R. Lawson, JD
3. ***'The Housing Boom and Bust'***, by Thomas Sowell and Robertson Dean
4. ***'The Real Book of Real Estate'***, by Robert T. Kiyosaki



# GENERAL NEWS...



**LebanonOpenHouses.com**  
Lebanon County Association of Realtors®

Our new website is up and running. Enter all your open house information into Keystone MLS and the data will automatically display on [www.LebanonOpenHouses.com!](http://www.LebanonOpenHouses.com)

Advertising began 6/15/09. We, as an Association, want to put every open house possible in Keystone MLS and therefore onto LebanonOpenHouses.com because if the public visits the site and there is little to view, they won't return to the site. In reverse, if there is a great deal to view, this will become a great public source for Lebanon County real estate!

Advertising schedule:

1. Billboards: 6/15 & 29, 7/13, 8/10
2. Lebanon Daily News: Full color ads 6/16,20,27; 7/5, 7,18, 25; 8/4,22
3. Merchandiser: 6/16,23,30; 7/7,14,21,28; 8/4,11,18,25

## ***Save the Date:***

- **Sept. 5: New Member Orientation**
  - **Sept. 24th: MCE Course**
  - **Homecoming for Habitat Benefit Action: Fri. October 9**
- **Triple Play: December 7-10th**

### **Newsletter Committee**

* Brenda Miller	Re/Max Cornerstone 273-5501
* Debbie Carroll	Century 21 Krall 273-1631
Craig Gates	Fulton Mortgage Company 274-6981
Kris Mease	Edge Abstract of PA 228-0870
Brenda Wurges	Re/Max Cornerstone 273-5501
Melody Kiene	Re/Max Cornerstone 273-5501

If you have any ideas or articles for the "Board Briefs", please call any committee Member or the Association Office at 272-6126. You may also fax items to 270-5668, or e-mail them to Julie Osborne at [secretary@lebanon-realtors.com](mailto:secretary@lebanon-realtors.com).

## Get the JBT mortgage advantage:

- ✓ Free pre-approval on home purchases
- ✓ You have the option of local loan servicing
- ✓ 1-settlement closing on new construction
- ✓ Competitive fixed and adjustable rates
- ✓ PLUS, we'll attend the settlement with you!



Quentin Road	717-279-7720
Jonestown	717-865-2112
Ebenezer	717-274-5421
Lebanon	717-273-0405
Newmanstown	610-589-1234
Cleona	717-279-7655
Grantville	717-469-0623
Palmyra	717-641-0032

Jonestown Bank & Trust Co.

Member FDIC



## MORTGAGE COMPANY OR BANK?

## WHY NOT BOTH?



**Brenda Herring-Ferrebee**  
Mortgage Loan Officer  
717.274.6881



**Craig Gates**  
Mortgage Loan Officer  
717.274.6981

Fulton Bank's products, such as swing loans, home equity loans, and lot loans, can be used in conjunction with Fulton Mortgage Company's products to meet your individual needs.

**Fulton Bank**  
LISTENING.

[fultonbank.com](http://fultonbank.com)

**Fulton Mortgage Company**  
A Division of  
**Fulton Bank**  
No Surprises.

[fultonmortgagecompany.com](http://fultonmortgagecompany.com)

Equal Opportunity Lender Member FDIC

# GENERAL NEWS...

## Golf Tournament Rain Date

**Wed. July 1st**



Thank you to the following hole sponsors and door prize contributors:

### HOLE SPONSORS

*Jeremy Frey:*  
COLONIAL FUNDING

*Doug Hummer:*  
COMMERCE BANK

*Kris Mease:*  
EDGE ABSTRACT OF PENNSYLVANIA

*Guy Wentzler:*  
FIRST NATIONAL BANK OF FREDERICKSBURG

*Mike Fortna:*  
FORTNA AUCTIONEERS

*Craig Gates:*  
FULTON MORTGAGE COMPANY

*Lori Stoltzfus:*  
GARMEN BUILDERS

*Ann Decker:*  
JONESTOWN BANK & TRUST

*Mary Rakow:*  
LEBANON COUNTY ASSOCIATION OF REALTORS®

*Wendi Donmoyer:*  
LEBANON LAND TRANSFER

*Joe Wentzel:*  
PENN REALTY, LTD.

*Dave Glick:*  
PROFESSIONAL HOME INSPECTION

*Duane Zehring:*  
RAUCH REAL ESTATE

*Sally Weise:*  
RE/MAX OF LEBANON COUNTY

*Bob Phillips:*  
STATE FARM INSURANCE

*Nelson & Elsie Ebersole:*  
SUBURBAN REALTY

### DOOR PRIZES

*Barb Hartman:*  
COLLINS GROCERY STORE

*Frank Tomecek:*  
FRANK TOMECEK REAL ESTATE SERVICES

FREDERICK CHEVROLET

*Tina Gring:*  
MAXIM HOME MORTGAGE

*Barb Keller:*  
QUENTIN TAVERN

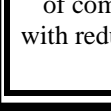
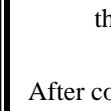
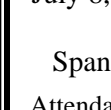
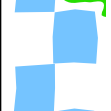
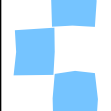
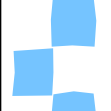
*Nelson & Elsie Ebersole:*  
SUBURBAN REALTY

*Barbara Mark:*  
YES FINANCIAL

Special thanks to Joe Wentzel, Brenda Henning, Stu Hanford, & Frank Tomecek Jr. for all their efforts to make the golf outing a great event!

## GSH Street Fair

### Strawberry Shortcake Booth



This year was a great success again and we raised thousands of dollars for the Good Samaritan Hospital!

A Special Thanks to Joan Walmer, Re/Max Cornerstone, for all her hard work in organizing this event. Also many thanks to the following volunteers:

- Melody Kiene, Donna Meade, Denise Bollard, Janet Katz, Brenda Wurges-Phillips, & Brenda Miller of Re/Max Cornerstone
- Wes & Amy Dellinger, Lori Kahl, & Joan Weaber of Brownstone RE
- Joe Wentzel, Brenda Henning, & Doug Snavelly of Penn Realty
- Duane Zehring of Rauch RE
- Jim Hostetter & Elena Price of Prudential HSG
- Elsie Ebersole & Deb Carpenter of Surburban Realty
- Yvonne Kuhn of Coldwell Banker SP
- Melodie Brown of Griffith Group & her son Kyle
- Irene Picket of C21 Krall RE



## THE AFFORDABLE HOUSING COUNCIL OF LEBANON COUNTY

39 N. 12th St. Lebanon, PA 17046

July 8, 15, & 22nd, Aug. 5, 12, & 19th (Wed. Evenings)  
6:00 p.m. – 9:00 p.m.

Spanish Classes Nov. 14 & 21 (Saturdays 9am-1pm)

Attendance is limited, so registration is required by contacting the Lebanon County Redevelopment Authority at:  
(717) 273-9326.

After completing all sessions, each participant receives a letter of completion. This may entitle you to special opportunities with reduced fees and rates with most council member financial institutions for certain mortgage products.

## LEBANON COUNTY SOLD STATISTICS MAY 1 – 31, 2009

	<u># Active</u>	<u>\$ Volume</u>	<u># Sold</u>	<u>Sold Avg</u>	<u>ADOM</u>
<b><u>Residential/Farms</u></b>	<b>955</b>	<b>\$210,177,993</b>	<b>95</b>	<b>\$ 180,747</b>	<b>102</b>
Annville-Cleona	52	\$ 10,799,386	11	\$ 150,336	100
Cornwall-Lebanon	300	\$ 77,170,969	22	\$ 202,604	102
Eastern Lebanon	142	\$ 27,958,918	15	\$ 197,680	153
Lebanon City	175	\$ 19,483,143	16	\$ 70,218	71
Northern Lebanon	129	\$ 31,735,013	10	\$ 179,507	99
Palmyra	157	\$ 43,030,564	21	\$ 246,486	93
<b><u>Multi-Family</u></b>	<b>45</b>	<b>\$ 7,895,900</b>	<b>3</b>	<b>\$ 166,333</b>	<b>57</b>
<b><u>Lots</u></b>	<b>176</b>	<b>\$ 25,935,280</b>	<b>1</b>	<b>\$ 170,000</b>	<b>590</b>
<b><u>C/I/B Sale</u></b>	<b>45</b>	<b>\$ 25,997,160</b>	<b>2</b>	<b>\$ 330,000</b>	<b>44</b>
<b><u>C/I/B Lease</u></b>	<b>13</b>	<b>\$ 273,196</b>	<b>0</b>	<b>\$ 0</b>	<b>0</b>
<b>County Total</b>	<b>1,234</b>	<b>\$270,279,530</b>	<b>101</b>	<b>\$ 183,168</b>	<b>105</b>

These figures are based on data supplied by the Keystone MLS Network, Inc.

Neither the Lebanon County Association of REALTORS® nor the MLS guarantees its accuracy.

Data maintained by the MLS may not reflect all real estate activity in the market area of Lebanon County.



## LEBANON COUNTY SOLD STATISTICS MAY 1 – 31, 2008

	<u># Active</u>	<u>\$ Volume</u>	<u># Sold</u>	<u>Sold Avg</u>	<u>ADOM</u>
<b><u>Residential/Farms</u></b>	<b>871</b>	<b>\$195,832,871</b>	<b>113</b>	<b>\$ 157,353</b>	<b>82</b>
Annville-Cleona	36	\$ 14,217,400	2	\$ 141,500	52
Cornwall-Lebanon	291	\$ 68,627,501	31	\$ 183,613	67
Eastern Lebanon	116	\$ 27,555,828	13	\$ 151,612	102
Lebanon City	159	\$ 15,798,575	27	\$ 93,822	81
Northern Lebanon	130	\$ 30,335,250	18	\$ 173,120	102
Palmyra	139	\$ 39,298,317	22	\$ 190,252	81
<b><u>Multi-Family</u></b>	<b>53</b>	<b>\$ 10,572,250</b>	<b>2</b>	<b>\$ 131,000</b>	<b>17</b>
<b><u>Lots</u></b>	<b>233</b>	<b>\$ 34,042,900</b>	<b>4</b>	<b>\$ 86,000</b>	<b>272</b>
<b><u>C/I/B Sale</u></b>	<b>49</b>	<b>\$ 33,286,850</b>	<b>2</b>	<b>\$ 411,500</b>	<b>186</b>
<b><u>C/I/B Lease</u></b>	<b>5</b>	<b>\$ 114,468</b>	<b>0</b>	<b>\$ 0</b>	<b>0</b>
<b>County Total</b>	<b>1,211</b>	<b>\$273,849,339</b>	<b>121</b>	<b>\$ 158,759</b>	<b>89</b>

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# NAR NEWS...

## NAR Regulatory Issue Brief: Home Valuation Code of Conduct

On May 1, 2009, the Home Valuation Code of Conduct (HVCC) went into effect. The HVCC establishes standards on solicitation, selection, compensation, conflicts of interest and appraiser independence. However, the current appraisal process remains largely intact. This article discusses how the HVCC impacts various stakeholders in the mortgage transaction.

**REALTORS®:** The impact on individual REALTORS® is minimal. Individual REALTORS® and licensed real estate agents may not serve as a third party between a lender and appraiser. This includes selection, retention, and compensation of an appraiser. However, it is unlikely that REALTORS® were participating in these activities, to a significant degree, prior to May 1, 2009. Individual REALTORS® are still permitted to communicate with appraisers to ask that additional data be considered or that errors in the appraisal be corrected. Broker REALTORS® that offer services as a lender or affiliated lender or that offer appraiser services must comply fully with the HVCC if there is an expectation that their loans will be purchased by Fannie Mae or Freddie Mac on or after May 1, 2009.

**Appraisers:** Appraisers who work primarily with mortgage brokers may be affected the most. These appraisers will see a steep decline in appraisal requests from mortgage brokers. However, much of their business will likely come from appraisal management companies (AMCs) retained by lenders or mortgage brokers. Appraisers who work with lenders will see a change in the process if the lender decides to comply with the HVCC by retaining an AMC to choose appraisers. In this case, the appraiser will see business decline from the lender but increase from the AMCs similar to what occurs for appraisers working with mortgage brokers. Not all lenders will utilize AMCs (see below). Appraisers who work with lenders directly are not likely to see a significant change in the appraisal process.

**Lenders Selling to GSEs:** Lenders must establish a firewall between loan production staff and appraisal staff. Lenders may create this separation by retaining the services of a third party company, such as an AMC, that will select an appraiser for the lender. Lenders may instead meet the requirements of the HVCC by creating a firewall internally between underwriting staff and staff that selects and retains appraisers. Lenders selling mortgages to the GSEs must certify, represent, and warrant that the appraisal report was obtained in a manner in compliance with the HVCC.

**Lenders Not Selling to GSE:** Lenders not selling mortgages to Fannie Mae or Freddie Mac are not obligated

to adhere to the HVCC.

**Mortgage Brokers:** Mortgage brokers can initiate an appraisal request from an AMC only if the following conditions are met: The AMC is specifically authorized by the lender to act on its behalf and the AMC is not acting on behalf of the mortgage broker. The AMC selects, retains, and provides for payment of all compensation to the appraiser on the lender's behalf. The appraiser's client is the lender and the appraiser correctly identifies the lender as the lender/client on the appraisal report. The lender has policies and procedures in place that comply with the Code. The lender ensures that the AMC has policies and procedures in place that comply with the Code.

Otherwise, a lender may not accept any appraisal report completed by an appraiser selected, retained, or compensated in any manner by a mortgage broker. A lender may accept an appraisal report prepared for a different lender if certain conditions are met.

**Consumers:** The borrower will receive a copy of any appraisal on the borrower's property upon completion of the appraisal and at no additional cost to the consumer.

There is some concern that the appraisal process may take longer and increase costs for the consumer. While it is too early to tell if these conditions will develop, the NAR is tracking the HVCC and will take appropriate steps if the agreement results in any harm to the consumer.

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# GENERAL NEWS...

## *flexmls® Modifications*

Effective June 15, 2009, the following modifications were implemented to Keystone Data, Forms and entry screens. Revised forms are available on the flexmls® website.

### ~ Residential:

- A new field 'SqFt from Public Record' has been inserted following 'Finished SqFt Below' as a **required** field with a 'Yes/No' response.
- A new field 'Reserve Fee' has been inserted following 'Condo/HOA/PUD Name' as a **non-required** field with a 'Yes/No' response. This field will be followed by a 'Reserve Amount' field, **which becomes required if the previous answer is 'Yes'**.

### ~ Multi-Family:

- A new field 'SqFt from Public Record' has been inserted following 'Gross Building Area' as a **required** field with a 'Yes/No' response.
- A new field 'Reserve Fee' has been inserted following 'Condo/HOA/PUD Name' as a **non-required** field with a 'Yes/No' response. This field will be followed by a 'Reserve Amount' field, **which becomes required if the previous answer is 'Yes'**.
- 'Total Taxes' has been moved from the 'Annual Income' section to the 'Annual Expenses' section of the detail page and populated with the **calculated** 'Total Taxes' field from the 'Location, Legal and Taxes' section of the main page. All of the expenses in the 'Annual Expenses' section will automatically **calculate** and populate the 'Operating Expense' section of the detail page which will then **calculate** 'Net Income' as the difference between 'Operating Expense' and 'Gross Income'.

### ~ Commercial-Industrial-Business SALE:

- A new field 'SqFt from Public Record' has been inserted following 'Gross SqFt' as a **required** field with a 'Yes/No' response.
- A new field 'Reserve Fee' has been inserted following 'Condo/HOA/PUD Name' as a **non-required** field with a 'Yes/No' response. This field will be followed by a 'Reserve Amount' field, **which becomes required if the previous answer is 'Yes'**.

### ~ Commercial-Industrial-Business LEASE:

- A new field 'SqFt from Public Record' has been inserted following 'Gross SqFt' as a **required** field with a 'Yes/No' response.
- A new field 'Reserve Fee' has been inserted following 'Condo/HOA/PUD Name' as a **non-required** field with a 'Yes/No' response. This field will be followed

by a 'Reserve Amount' field, **which becomes required if the previous answer is 'Yes'**.

**In addition, the following changes have been made to the Details page:**

### ~ Residential:

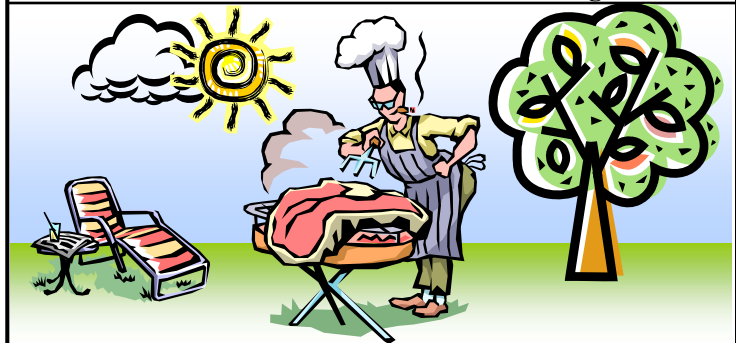
- '**Under Roof**' has been added to **J: Age**. This is the minimum requirement for an Open House property.
- '**Employee Assist Zone**' and '**Short Sale**' have been added to **GG: Financing**

### ~ Multi-Family:

- '**Employee Assist Zone**' and '**Short Sale**' have been added to **U: Financing**

### ~ Land:

- '**Short Sale**' has been added to **O: Financing**



## Parade of Homes

**A Great Big Thank You to all of our sponsors for the May 2009 event!**

**Lebanon County Housing Authority  
Lebanon County Redevelopment Authority**

- The Home Inspector
- Professional Home Inspection, LLC
- Jonestown Bank & Trust
- Fulton Mortgage Company

**Special Thanks to Maria Shuey, C21 Krall, for all her hard work!**

# PA REAL ESTATE NEWS...

## PA Awarded Over \$380 Million in Federal Economic Recovery Funds

Gov. Edward G. Rendell today said 1,000 families will receive thousands of dollars to help make down payments on new homes, more than 5,000 families in dozens of communities across Pennsylvania will find affordable housing and some 3,000 workers will have jobs.

"This is great news for families who have been hit hard by the foreclosure crisis in Pennsylvania, as the investments we are announcing today will help provide affordable housing for tens of thousands of Pennsylvanians," said Governor Rendell, who made the announcement at a former school in Steelton that will be converted into apartments. "This is clear evidence that President Obama's stimulus bill and Congress' efforts to address the impact of this housing emergency are making a real difference in Pennsylvania.

"It's also a great day for families who need help coming up with a down payment for a new home. This creative, new program represents the spirit of partnership and innovation the President challenged us to employ when he signed the stimulus bill."

## A Senate Passes RELRA Amendments

By a vote of 49-0, the Pennsylvania Senate has passed long-awaited legislation that revises terms to release escrow and allows brokers and salespersons to set up LLCs.

**Senate Bill 241 (Tomlinson, R-Bucks) will allow escrow funds to be disbursed after a certain amount of time following termination of an agreement of sale.** Licensees are currently powerless to resolve the problem of releasing escrow in failed transactions. SB 241 will help create the framework for releasing escrow and will allow brokers to create their own internal office policies regarding the subject.

**Senate Bill 241 also provides that associate brokers and salespersons may set up entities such as S corporations or LLCs to conduct their real estate business and receive commissions.** The legislation would require that only a licensee may own an entity that is paid a commission by the broker.

Senate Bill 241 has been sent to the House of Representatives for consideration.

(e-REALTOR News 6/10/09)

### **new consumer notice deadline changed:**

Original Deadline was 6/13/09  
Use either form for now

### **new consumer notice deadline changed:**

New Deadline 9/15/09  
Must use form dated 12/08 after new deadline



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# JULY 2009



Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1 *Golf Tournament	2	Assoc. Office Closed	4 Independence Day!
5	Monthly Luncheon Meeting	7	8 Leb. Co. MLS Mtg.	9 Art Auction Mtg.	10	11
12	13	14	15 PR Meeting  MLS Training	16 NEWS  Newsletter Meeting	17	18
19	20	21 Keystone MLS Mtg.	22	23	24	25
26	27	28	29 BOD Meeting	30	31	

\*Golf Tournament Rescheduled for 7/1/09

# AUGUST 2009



Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1  Summer
2	3	4	5	6 Art Auction Mtg.	7	8
9	10	11	12	13	14	15
16	17	18	19 PR Meeting  MLS Training	20 NEWS  Newsletter Meeting	21	22
23	24	25	26 BOD Meeting	27	28	29
30	31 1st Day of School					