



NEWS YOU CAN USE *January 2018*

NEWS

REALTORS® Key to Improving Tax Reform

The Senate restored the property deduction in its version of tax reform, something REALTORS® pressed for in their advocacy on behalf of homeowners. Both House and Senate bills now retain the deduction, although its capped it at \$10,000. Another NAR priority was protecting 1031 exchanges, which both bills do. More on how REALTORS® [helped improve](#) the bills passed by the two houses.

Tax Incentives Key to Home Buying Decisions

A majority of homeowners would take advantage of the mortgage interest deduction and state and local property tax deductions if they were to purchase a new home, according to new data from NAR. In addition, a notable share of respondents to NAR's Housing Opportunities and Market Experience (HOME) survey for the fourth quarter said the changes to these homeownership incentives that are part of the tax plan moving through Congress would affect their budget and desire to move in the future. [Details and infographic.](#)

What to Expect as Tax Reform Progresses

NAR has developed a [Q&A](#) about what to expect as House and Senate negotiators iron out differences between the two chambers' versions of the tax bills. The Q&A is based on a Dec. 12 Facebook Live event that featured NAR Chief Lobbyist Jerry Giovaniello; Evan Liddiard, NAR's senior representative for tax policy; and REALTOR® Iona Harrison of Pioneer Realty in Upper Marlboro, Md., the incoming chair of NAR's Federal Policy Committee. [View replay of the event.](#)

Home Sales Soar 5.6 Percent

Existing-home sales in November [rose 5.6 percent](#) to a sales pace of 5.81 million units, the strongest pace in 11 years. "Faster economic growth in recent quarters, the booming stock market, and continuous job gains are fueling substantial demand for buying a home as 2017 comes to an end," NAR Chief Economist Lawrence Yun says.

Fewer Say It's a Good Time to Buy

Sixty percent of [households surveyed](#) say now is a good time to buy, down from 62 percent last quarter, according to NAR's latest survey on housing attitudes. Tight supply and hits to affordability are contributing to the drop in optimism, NAR Chief Economist Lawrence Yun says.

Millennial, Silent Gens. Like Walkable Areas

Sixty-two percent of millennials and 55% of people in the silent generation—those born before 1944—prefer walkable communities, [an NAR analysis finds](#).

UPDATES

Tax Reform Side-by-Side Available

In case you missed it: You can access and [share a side-by-side comparison](#) between House and Senate versions of tax reform. Also, access and share [a chart](#) that shows the impact of tax reform on each state.

NAR Seeks More Progress on Drone Rules

NAR [in a letter](#) praised federal efforts to safely incorporate small drones into the airspace and encouraged the government to keep making progress in its efforts because the technology is promising for real estate. A House committee held a hearing on the issue last week to see how progress is coming.

Expect More Destructive Wildfires

Wildfires in California are larger and more frequent and destroying more homes, [a report](#) by the U.S. Global Change Research Program finds. Homeowners are encouraged to take the increased threat into account and learn steps to help lessen the chance of home damage.

FHA Announces 2018 Loan Limits

The Federal Housing Administration has raised the upper limit for conforming mortgages to \$294,515, up from the current limit of \$275,665, effective Jan. 1, 2018. The limit in high-cost areas will increase to \$679,650, up from \$636,150. Alaska, Hawaii, Guam, and the Virgin Islands have a limit of \$1,019,475 to account for higher construction costs. Nationwide, loan limits increased in 3,011 counties and remained unchanged in 223 counties. [More](#).

Senate Panel Approves Consumer Protection Bill

The Senate Banking Committee has advanced a bipartisan bill that would provide regulatory relief for small community banks and credit unions, make the Consumer Financial Protection Bureau responsible for ensuring that lenders confirm the ability of borrowers to pay assessments related to energy-efficiency, and allow consumers to freeze and unfreeze their credit once a year without charge. [More](#).

[FHA to Stop Insuring PACE Loans](#)

The Federal Housing Administration will stop insuring new mortgages that include Property Assessed Clean Energy (PACE) assessments starting in January as part of an effort to strengthen the Single Family Mutual Mortgage Insurance Fund. NAR supports the change, which reverses an FHA policy that went into effect in July 2016. [Details.](#)

[FCC Ends Net Neutrality](#)

In a move NAR opposes, the Federal Communications Commission [voted 3-2](#) to end net neutrality. The rules were put in place in 2015 to require internet service providers (ISPs) like Verizon, Comcast, and AT&T to treat all online content the same. Elimination of the rules opens the door to ISPs charging fees to websites and online services to give them faster service, although any changes in service are unlikely to happen right away. Industry groups have said they will sue the FCC. NAR hosted a [live webcast](#) on the topic two weeks ago. The latest [Voice for Real Estate](#) summarizes the issue, too.

[NAR Supports Parts of Deregulation Bill](#)

A Senate bill to ease regulations on financial institutions [has some good](#) provisions in it, including a provision letting consumers in some instances freeze and unfreeze their credit without charge. That could help households whose financial information might be compromised in a data breach. Another provision could help improve the availability of financing for manufactured housing, and another addresses concerns over some types of loans for solar panels on homes. The bill would also ease reporting and other requirements on smaller financial institutions.

[Voice for Real Estate: Net Neutrality](#)

The latest [Voice for Real Estate](#) news video from NAR looks at the impact of net neutrality repeal on real estate as well as summarizes improvements made to tax reform in the House-Senate conference committee. The video also looks at the latest home sales figures and 2018 FHA loan limits increases.

RESOURCES

[Applications Sought for 2018 REach® Program](#)

Second Century Ventures, NAR's strategic investment arm, [is taking applications](#) through Jan. 31 for its 2018 REach® accelerator. Selected companies get education and mentorship by industry professionals to help them improve their products for the real estate industry.

[REALTORS® Saved \\$74 Million](#)

More than 800,000 REALTORS® saved \$74 million through NAR's [REALTOR Benefits® Program](#) in one year. Industry-leading companies providing savings include FedEx, FCA US LLC (including Jeep®) Fiat Chrysler Automobiles, DocuSign, Intuit® QuickBooks and TurboTax, Sprint®, and more.

[Voice Search Among New RPR® App Tools](#)

Features that let members search by voice, generate reports quickly, and create express versions of comp analyses [have been added](#) to the line-up of RPR® app tools.

[Location for Field Guides on nar.realtor](#)

Popular Field Guides from NAR Information Services have been integrated into Topics pages throughout the redesigned nar.realtor website. You can now find Field Guide content by clicking the [References tab](#). Also, links to old Field Guides will automatically redirect to new topics pages. References tabs contain links to external articles, titles from the NAR Library eBooks collection, websites, statistics, and other material to provide a comprehensive overview of each topic.

[How Tax Reform Would Affect Each State](#)

A [state-by-state analysis](#) from NAR's research team provides insight into how the tax law being finalized on Capitol Hill would impact homeowners. The analysis includes data on tax deductions and capital gains exemptions taken in each state, but does not consider other factors, like the current housing shortage or the job market.

[Video: Housing Data for October](#)

NAR's latest "Housing Minute" video provides an overview of housing market conditions in October. [Access and share video.](#)

[Effects of FCC's Net Neutrality Vote](#)

NAR hosted a Facebook Live event to examine the potential impact on the real estate industry if the FCC votes to end its net neutrality rules, which require internet carriers to treat all content equally. Guests included NAR technology policy analyst Melanie Wyne and David Charron, head of MRIS. [Access replay.](#)

[Construction Sector Remains Understaffed](#)

Construction-sector employment remains substantially below pre-recession levels despite strong growth, and unless builders hire more workers, the housing inventory shortage will persist well into 2018, NAR Chief Economist Lawrence Yun says. [More.](#)

[Yun Urges Caution As Fed Raises Rates](#)

NAR Chief Economist Lawrence Yun [said](#) the Federal Reserve should be cautious in its monetary policy because of continued low long-term interest rates. His remark came in response to the Federal Reserve increase in short-term interest rates a quarter percentage point to a target rate of 1.5 percent.

[Applications Open for Leadership Academy](#)

The application process for the 2019 NAR Leadership Academy is open, REALTOR® University has announced. Applications will remain open until March 9. [Details and application.](#) For more info contact [Judy Perez](#).

[Broker Summit Registration Opens Jan. 8](#)

Registration opens on Jan. 8 for the 2018 REALTOR® Broker Summit. Join NAR in Nashville on April 4-5. Attendees will learn from and collaborate with industry experts, tech entrepreneurs, and brokers to position their business for success. [Share program](#).

[Tools and News from realtor.com®](#)

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[Using RPR® to Help Consumers](#)

A REALTOR® in a post on the RPR® blog describes how he [finds opportunities](#) to reinforce his value even while consumers have so much information online available to them.

LEGAL

[Licensee Didn't Have Agency Relationship](#)

A real estate professional who had represented a seller in a transaction that fell through did not have an agency relationship with the seller in a subsequent lease transaction, the California Court of Appeal, Fourth District, [ruled](#), affirming the trial court rulings. The court said there was no agency agreement between the licensee and the sellers.

[Video: Spotting Money Laundering](#)

The latest [Window to the Law](#) video from NAR Legal Affairs explains how to spot possible money laundering in the real estate market and examines the Treasury Department's efforts to combat illegal financial activities by parties to real estate transactions.

[Lack of Sewer Access Not Disclosed](#)

Buyers can rescind a purchase contract and receive an award of attorney's fees because the seller and the listing broker failed to disclose the property had limited sewer access, the Court of Appeals of Tennessee, Knoxville, [ruled](#), affirming the trial court.