



NEWS YOU CAN USE *August/September 2018*

NEWS

[8 Nabbed in Real Estate Cybercrime Ring](#)

Authorities in the U.S. and Africa [have arrested](#) eight people for alleged involvement in an international online fraud scheme that targeted a real estate company and other entities. The suspects, along with four others who are still at large, are accused of attacking computer servers and using bogus email messages to steal millions of dollars from individuals and companies involved in property transactions in the U.S., according to the Justice Department.

[China, Mexico Top Foreign U.S. RE Investors](#)

About one-fifth of REALTORS® practicing in commercial real estate closed a sale with an international client in 2017, and 35 percent said they have seen an increase in the number of international clients in the past five years, NAR's [2018 Commercial Real Estate International Business Trends](#) says. Investors from China and Mexico topped the list.

[Assoc. Health Plans: Next Steps](#)

NAR is engaged with outside consultants and partners to determine what the association can potentially offer members now that independent contractors are eligible to participate in association health plans under a federal rule released last month. More in the latest [Voice for Real Estate](#) news video from NAR.

[Home Sales Drop for Third Month in a Row](#)

[Existing-home sales declined 0.6 percent](#) in June to a sales pace of 5.38 million units, NAR says. Inventory shortages continue to slow sales and drive up prices. "What is for sale in most areas is going under contract very fast and in many cases has multiple offers," NAR Chief Economist Lawrence Yun says. "This dynamic is keeping home price growth elevated, pricing out would-be buyers and ultimately slowing sales." The median home price is \$276,900.

[REALTOR® Income, Sales Volume Down](#)

Income and sales volume are down this year as real estate professionals chase fewer deals because of inventory shortages, the [2018 NAR Member Profile](#) says.

The typical agent worked on 11 transactions worth \$1.8 million last year, down from 12 transactions worth \$1.9 million.

[Fair Housing Reading List](#)

NAR has a [recommended reading list](#) to help you understand the importance of the Fair Housing Act, which turned 50 this year.

[Congress Extends Flood Insurance](#)

The National Flood Insurance Program will remain in operation through Nov. 30 following action by Congress to extend the program, which serves people in 22,000 communities across the country. The House and Senate both overwhelmingly supported the four-month extension, which President Trump signed into law on July 31, hours before the insurance program was set to lapse. NAR applauded the extension and is urging Congress to reform the program. More than 129,000 REALTORS® sent letters to Congress urging passage of the extension through NAR's Call for Action. [Details](#). [Video](#).

[Contract Signings Increase](#)

Pending home sales increased in all four major regions in June, a sign that the worst of the supply crunch that has gripped the industry may have passed, but overall activity lagged year-ago levels for the sixth straight month, [NAR says](#).

[International Real Estate Purchases Fall](#)

Home purchases in the United States by foreign buyers declined during the past year amid rising prices and low inventory, [according to NAR](#).

[Voice for Real Estate: Are Homes too Pricey?](#)

The latest [Voice for Real Estate](#) news video looks at slowing home sales as prices rise on continued low inventory. NAR Chief Economist Lawrence Yun says markets with reasonable inventories of for-sale homes are seeing no slowdown in sales. It's mainly low-inventory areas that are facing fewer sales. The video also looks at the last-minute extension of flood insurance, the impact of higher numbers of agents in real estate, commercial investment opportunities in smaller markets, slower home sales by international buyers, and the upcoming Real Estate Innovation, Opportunity, and Investment Summit in San Francisco. [Access and share video](#).

[List of Eligible Candidates for 2020 Published](#)

The Credentials and Campaign Rules Committee has released the [list of candidates](#) eligible to campaign for NAR elected office for 2020.

[Access NAR Leadership Summit on Facebook](#)

NAR streamed the 2018 Leadership Summit in Chicago this week as a Facebook Live event. You'll need to log into Facebook to view. [Access Day 1](#). [Access Day 2](#).

[Metro Home Prices Rise 5.3% to New High](#)

Existing-homes sales cooled but home prices maintained their robust level of appreciation, NAR's [metropolitan home price report](#) for the second quarter shows. San Francisco and San Jose have a median sales price above \$1 million, topping other areas.

[Is a Housing Slowdown Coming?](#)

NAR Chief Economist Lawrence Yun [in an article](#) says markets with inventory available will see continued solid sales. Areas with a shortage of for-sale inventory, especially at moderate price levels, could see some easing. For the year, sales are expected to dip just slightly while price gains will remain robust at about 5 percent nationally for the year. [Video remarks](#).

[IRS: New 20% Deduction Applies to Real Estate](#)

The Internal Revenue Service has issued a proposed regulation that would permit real estate professionals to take advantage of the new 20 percent business income deduction for pass-through businesses that is part of the federal tax overhaul enacted last December. NAR made a strong case to government policymakers that real estate professionals should be exempt from limitations in the law that are directed at service businesses. [More](#).

[NAR Launches Financial Wellness Center](#)

NAR has introduced the [Center for REALTOR® Financial Wellness](#), a new online resource designed to help REALTORS®—no matter their age, industry experience, or amount of wealth—navigate financial planning and prepare for retirement. [marketing materials](#) here.

[Wahlberg to Speak at REALTORS® Conference](#)

Mark Wahlberg, Oscar® and Golden Globe nominee and philanthropist, will speak during the [general session](#) at the [2018 REALTORS® Conference & Expo](#) in November, NAR announced.

[Home Sales Slip 0.7 Percent](#)

Existing-home sales in July [slipped for the fourth straight month](#) to a sales pace of 5.34 million, their slowest in two years. "Too many would-be buyers are being priced out or are deciding to postpone their search until more homes in their price range come onto the market," NAR Chief Economist Lawrence Yun says.

[HUD Alleges Facebook Fair Housing Violation](#)

Facebook is violating the Fair Housing Act by enabling advertisers to discriminate against prospective renters and buyers based on their race, HUD alleges. [NAR supports the action](#) because of the need to further fair housing in today's rapidly changing media environment.

UPDATES

Uncertainty Over CFPB Structure Continues

The U.S. District Court for the Southern District of New York [has ruled that](#) the Bureau of Consumer Financial Protection lacks authority to bring an enforcement action against a New Jersey company “because its composition violates the constitution’s separation of powers,” and as a result, it removed the agency as a party to the litigation. The move is the latest indication the agency’s structure, which is based on a single director rather than a governing commission, continues to face scrutiny.

CFPB Seeking Input on Its Processes

NAR is encouraging members who have engaged with the Bureau of Consumer Financial Protection to [weigh in on](#) how well the agency’s procedures work. The agency has been asking for feedback on a number of its procedures including its adjudicating and investigative procedures.

Hearings on Credit, Infrastructure

Both the House and Senate are in session this week in Washington. The Senate Banking Committee is looking at the Fair Credit Reporting Act and the Senate Environment and Public Works Committee is looking at low-cost federal infrastructure loans. NAR [is monitoring](#) these and other matters.

Bill Aims to Restore Net Neutrality Provisions

NAR is applauding the introduction in Congress of legislation that would override the Federal Communications Commission’s decision last year to dismantle its net neutrality regulations, which were designed to keep internet service providers from blocking or throttling content and services delivered online. [Details](#).

Bills Would Retool Endangered Species Act

Lawmakers in the House of Representatives have introduced a package of bills that would update the Endangered Species Act, with a goal of ensuring that property owners, states, and localities are treated as partners rather than obstacles in species rehabilitation. [More](#).

NAR: Bureau Should Improve Communication

NAR raised the need for the Bureau of Consumer Financial Protection (BCFP) to increase communication and transparency throughout investigations, enforcement actions, and during the rulemaking process in a [meeting](#) with high-level agency staff. NAR has submitted [comments](#) on many BCFP activities.

NAR Discusses Fannie and Freddie with Officials

In a meeting with the Government Accounting Office, NAR emphasized that Fannie Mae and Freddie Mac have done a good job of providing steady, stable and affordable credit to a broad market during very difficult times, and that

preserving the benefits of the current system should be a primary goal of any reform efforts. [More](#).

[Lawmakers Review Sales Tax Decision](#)

The House Judiciary Committee held a hearing on July 24 to examine the Supreme Court's recent NAR-supported decision to allow states to require that some online retailers charge and remit sales tax on purchases made by residents, even if they don't have a physical presence within the state. NAR sent a letter thanking lawmakers for holding the hearing. [More/a>](#).

[Infrastructure Bill Introduced in House](#)

House Transportation and Infrastructure Committee Chairman Bill Shuster (R-Pa.) released a draft infrastructure bill to address the nation's deteriorating infrastructure. The bill proposes establishing a pilot program for a "per-mile" user fee, an alternative to raising the federal gasoline tax. Another proposal would create a 15-member Highway Trust Fund Commission. [More](#).

[NAR Issues Summary of Mortgage Roundtable](#)

NAR has released a report summarizing insights gleaned from NAR's [recent roundtable](#) on reform of the secondary mortgage market. The report lays out the views of the 12 participants on a variety of issues, including the current state of reform, benefits and faults of potential replacement structures, issues remaining to be addressed, and how the administration could shape the discussion. [More](#).

[Treasury Encourages Alternative Credit Scores](#)

The U.S. Dept. of Treasury [in a report](#) on improving the U.S. financial system is encouraging federal agencies to test alternative credit score models for more widespread use. It's also encouraging the use of automated or hybrid appraisals where they make sense and digitization of property records.

[G-Fees Should Reflect Only Mortgage Costs](#)

NAR has sent a letter to the Senate Veterans Affairs Committee underscoring the association's position that fees used to guarantee VA mortgages should only reflect the risks and costs associated with loans made under the program. The committee is considering legislation that includes a provision to eliminate the cap on VA home loans, which would allow veterans to use the benefit to purchase a home wherever they prefer. But lawmakers have also proposed increasing VA loan guarantee fees to pay for unrelated provisions in the bill. [More](#).

[Fannie, Freddie End Rental Pilots](#)

In a win for REALTORS®, Fannie Mae and Freddie Mac [will end pilot programs](#) to provide liquidity to institutional investors to purchase single-family homes for rental housing. NAR opposed the programs because the companies' resources are more appropriately applied to for-sale housing and also the rental programs were exacerbating inventory shortages.

[Voice for Real Estate: IRS Clarifies Tax Win](#)

The IRS agrees with NAR that real estate brokerages [shouldn't be subject](#) to a restriction on the 20 percent business income deduction enacted last year as part of the tax reform law. The development is a win for NAR advocacy efforts because the association met with the IRS to discuss the issue at length. The issue is covered in the latest [Voice for Real Estate video](#). Also covered are [financial wellness](#), housing [sustainability](#), home [price trends](#), and [ideas](#) from the fast-growing brokerages on how to give consumers what they want.

[Foreclosure Moratorium Stays in Effect](#)

FHA [is continuing](#) a foreclosure moratorium for borrowers in Puerto Rico and the U.S. Virgin Islands affected by Hurricane Maria.

RESOURCES

[More Young Adults, Fewer Households](#)

People 25 to 34 years old make up the largest population age group in the U.S., at 45.3 million, [NAR says](#). That's 6 million more than in 2009. But the number of households headed by people 25 to 34 years old is stagnant at 20 million.

[How a Broker Became a Community Storyteller](#)

A good story you can [share with your members](#): A Missouri brokerage used a video series to build its business while becoming a go-to storyteller for its community.

[Owners Plan to Rent Out Homes](#)

Twenty-five percent of owners with vacation properties and 24 percent with investment properties rented their property as a short-term rental in 2017, and 30 and 32 percent, respectively, plan to do so in 2018. More in an [NAR infographic](#).

[Globalize Your Business](#)

More than \$150 billion in foreign investment came into the U.S. residential real estate market in 2017. Another \$50 billion was invested in commercial real estate. Learn how your association can help its members tap into this investment in [Global Programs for Associations](#), a session Oct. 31 at the REALTORS® Conference & Expo in Boston.

[Maximize your Benefits with FCA](#)

REALTORS®, association staff, and eligible family members can take advantage of a \$500 cash allowance toward the purchase or lease of select vehicles from FCA US LLC, including the Alfa Romeo Stelvio and Guilia, and REALTOR Benefits® Program best sellers: Jeep Cherokee and Ram 1500. You can sweeten the deal by receiving a member-only vehicle maintenance package, that includes oil changes and tire replacement at no extra charge. See full offer details at [NAR.realtor/FCA](#).

[Are You In the Know?](#)

Introducing .realestate—the newest unrestricted top-level domain for the real estate industry, and a way for you to increase visibility into specific aspects of your business. From beachfrontproperty.realestate to luxuryseattle.realestate, the possibilities are endless. Starting Sept. 18, REALTORS® with an active .realtor™ domain gain exclusive access to purchase a .realestate web address before it becomes available to the general public on Nov. 27. Don't miss out! Visit [get.realtor today](#) to claim your FREE* .realtor™ domain in preparation for the pre-sale.*Free for the first year, one per member.

[Ways Brokers Can Help Keep Agents Safe](#)

A 20-year veteran real estate agent who specializes in agent safety talks about ways brokers can help [protect their agents](#) in a REALTOR® Magazine commentary piece.

[Ideas for Agents on Firing Bad Clients](#)

Agents talk about ways they [end their relationship with clients](#) who are not a good fit for them in a REALTOR® Magazine article.

[Fair Housing Book List](#)

Expand your knowledge of issues related to fair housing during NAR's yearlong commemoration of the Fair Housing Act by reading [this list](#) of recommended books on the topic.

[Members Saved \\$60 Million In One Year](#)

More than 800,000 REALTORS® saved \$60 million in one year alone by leveraging their REALTOR® membership and taking advantage of at least one offer through NAR's REALTOR Benefits® Program. NAR Members saved time and money with savings and special offers from industry-leading companies including FedEx, FCA US LLC (including Jeep®), DocuSign, Intuit® (QuickBooks® Self-Employed and TurboTax®), and Dell. [Discover](#) how you and your members can benefit.

[Complete Diversity Course in Boston and Save](#)

Help commemorate 50 years of the Fair Housing Act by taking NAR's At Home With Diversity certification course on Nov. 1 during the REALTORS® Conference & Expo in Boston. The \$75 application fee will be waived for members when they [register](#) for their certification by Dec. 15.

[Magazine Tackles Commission Issues](#)

REALTOR® Magazine is running a three-part series on commission issues, including [defending one's commission](#), [calming commission gripes](#), and [using networks to increase commissions](#).

[Research Properties With RPR® Map](#)

A [post](#) on the Realtors Property Resource® blog explains how to use the RPR® map to visually search for properties and uncover market trends.

[Lenovo's Back-to-School Sale Is on Now](#)

Through Sept. 19, Lenovo™ is offering savings of up to 39 percent on their award-winning PCs, laptops, 2-in-1 laptop/tablet combos, and other products. Lenovo™ is a proud partner in the REALTOR Benefits® Program. [Details.](#)

[Article Focuses on Tech for Real Estate Pros](#)

An article on the REALTOR® Magazine website from content sponsor Lenovo™ [provides an overview of technological tools](#) real estate professionals can use to enhance their businesses.

LEGAL

[Debtors Can't Collect From Team Leader](#)

The United States Bankruptcy Court for the District of Idaho [rejected a trustee's attempt](#) to claim, on behalf of two bankrupt members of a real estate sales team, the team leader's commission split.

[Copyright Issues for Members](#)

Intellectual property issues, particularly those involving copyright of listing content, play a major role in the real estate industry. [NAR has resources](#) to help you educate your members about this important issue.

[Video: Selecting a Vendor](#)

The latest [Window to the Law](#) video from NAR Legal Affairs looks at the legal considerations you should take into account when choosing a vendor to provide web-development, accounting and other types of services to your association.

[Challenge to Licensing Requirements Dismissed](#)

Pennsylvania's real estate licensing requirements are constitutional, [the Commonwealth Court of Pennsylvania ruled](#). The court dismissed a challenge by a part-time property manager who claimed the licensing requirements were overly burdensome.

[Licensee Liable for Wire Fraud Losses](#)

The United States District Court for the District of Kansas has upheld a lower court's decision that a real estate professional was 85 percent responsible for the theft by an online scammer of her client's purchase money because she forwarded a fraudulent email with bogus wiring instructions to the client. [More.](#)

[Social Media and Fair Housing Violations](#)

Your members can learn how to steer clear of violating the Fair Housing Act's prohibition on discriminatory marketing practices in their social media posts in the latest [Window to the Law](#) video.

[Code of Ethics Training Deadline is Dec. 31](#)

Remind your members that they can earn three hours of continuing education credit by completing NAR's online Code of Ethics training course. The current two-year training cycle ends Dec. 31, 2018. [Learn more.](#)

[Licensee Liable for Negligent Statement](#)

A broker and agent were liable for \$571,635 in damages to a buyer for the agent's underestimate of a commercial property's square footage, the California Court of Appeals, Second District, [ruled, affirming the trial court](#). The buyer, relying on the estimate, believed the property rents were under marketed but in fact they weren't.