



## **NEWS YOU CAN USE** **November 2018**

### **NEWS**

#### **[NAR Chief Lobbyist, Marketing/Comm. Officer Named](#)**

Long-time Capitol Hill and U.S. Treasury aide Shannon McGahn is NAR's senior vice president of government affairs and chief lobbyist starting Oct. 15, NAR announced yesterday. Over a 20-year career, McGahn worked with House and Senate leaders, senior White House aides, banking and tax-writing congressional committees, and federal agencies on major legislative and regulatory issues. She replaces long-time NAR Chief Lobbyist Jerry Giovaniello, who is retiring. NAR also announced that 30-year finance and real estate industry veteran Victoria Gillespie is NAR's new chief marketing and communications officer. Gillespie previously owned and operated her own real estate company, served as senior vice president of the REALTORS® Federal Credit Union, and most recently served as senior vice president of enterprise marketing and communications for Northwest Federal Credit Union. [More.](#)

#### **[Pending Home Sales Dip 1.8 Percent](#)**

Pending home sales [fell in August](#) and have now decreased on an annual basis for eight straight months. The steepest decline occurred in the West region, where low inventories, especially at moderate price points, are driving up prices and hindering households' ability to buy.

#### **[Goldberg Named To Most Powerful List](#)**

NAR CEO Bob Goldberg is one of [59 most powerful people](#) in residential real estate this year, according to the newspaper Observer (formerly the New York Observer). The paper cited Goldberg's effort to harness the power of disruption for the improvement of the industry. Also named are NRT President and CEO M. Ryan Gorman, Realogy CEO Ryan Schneider, Compass founders Ori Allon and Robert Refkin, Douglas Elliman CEO Dottie Herman, and Keller Williams Co-founder and Chairman Gary Keller.

#### **[Good Neighbor Winners Announced](#)**

NAR has announced the 2018 Good Neighbor Award winners, REALTORS® who have an impact on the world through their volunteer work. The voting portion of the Good Neighbor Awards, the Web Choice Favorite, brought

in more than 165,000 votes and earned three Good Neighbors bonus grant money. For more info go to [nar.realtor/gna](http://nar.realtor/gna).

#### [Assoc. Health Plans: Latest on NAR Efforts](#)

NAR has created a [webpage](#) to update you on the latest efforts at the national level to identify obstacles to the launch of association health plans (AHPs). The update includes an [in-depth video](#) on the challenges that remain before the industry sees a nationwide AHP or regional AHPs, and a [timeline](#) detailing NAR's plan of action.

#### [NAR Applauds Passage of Water Bill](#)

NAR praised the Senate for its passage today of legislation that would promote federal government investment in infrastructure to protect communities against natural disasters, provide Americans with sustainable access to clean water, and maintain waterways and ports. The House approved the legislation, America's Water Infrastructure Act of 2018, earlier this year, and it heads next to President Trump. [More](#).

#### [Deduction Should Apply Widely to Rental Income](#)

Congress intended the new 20 percent business income deduction to [apply widely](#) to rental real estate income, a REALTOR® testified before the IRS yesterday. The IRS is seeking input on the issue because its rules, as currently written, would require tax filers to undertake a complicated process to show they're eligible to apply the deduction to their rental income. That complicated process was not Congress' intent, said Iona Harrison, senior vice president of Pioneer Realty in Upper Marlboro, Md., who testified on behalf of NAR.

## **UPDATES**

#### [FHA Requires Two Appraisals for Risky Reverse Mortgages](#)

Higher risk reverse mortgages will require a second appraisal under a [mortgage letter \(2018-06\)](#) FHA released Sept. 28. In cases where two appraisals are required, FHA will require the lower appraisal be used in originating the loan. FHA refers to reverse mortgages as home equity conversion mortgages (HECMs).

#### [Meal Deduction Interim Guidance Out](#)

The Internal Revenue Service has released [interim guidance](#) on the deductibility of expenses for client meals under the new tax law. In general, the cost of business meals will be 50 percent deductible, even when those meals are purchased at events defined as entertainment, such as ballgames, as long as the cost of the food is documented separately from the cost of the entertainment and the costs are reasonable, among other things. The guidance is applicable until the IRS issues final rules, which could be released before the end of the year. The issue is explored in a recent REALTOR® Magazine [article](#) as well.

### [Clarity Sought on Rental Income Eligibility for Deduction](#)

[NAR has asked](#) the IRS to treat all real property rental activity as eligible for the 20 percent business income deduction created in the big tax reform law last year. Without this change, the 10 million American owners of rental real estate will be forced to wade through voluminous and confusing tax cases and conflicting IRS positions to determine whether their rental activity constitutes a “trade or business,” which is a requirement for the deduction. NAR says Congress intended the deduction to be available to the great majority of owners of rental property without the burden of excess complexity.

### [Reforms Would Aid Endangered Species, NAR Says](#)

[A package of bills](#) that would shift more responsibility to states and local governments for implementing the Endangered Species Act is a good start to much needed reforms, NAR told the House Natural Resources Committee. The package would also reduce regulatory burdens, increase the private sector’s incentive to preserve species and habitats, and make other welcomed changes.

### [IRS: Business Meals Are Still Deductible](#)

Business meal expenses remain partially tax deductible under the new tax law even if they’re connected with an activity defined as entertainment, according to temporary guidance issued last week by the IRS. [Details](#).

### [Fannie Mae Offers Appraisal Waivers](#)

Fannie Mae will be offering appraisal waivers in exchange for a mandatory home property inspection for properties in high-needs rural areas as determined under the Duty to Serve Underserved Markets rule. The appraisal waivers, which will become available later this year, are intended to reduce costs for borrowers while ensuring properties meet safety standards. [More](#).

### [Balance Sought on Data Privacy](#)

NAR [wants to see](#) uniform national laws and reasonable standards on data privacy and security, NAR tells the Federal Trade Commission in a letter it signed jointly with other associations representing Main Street businesses. The groups also want to make sure FTC enforcement is appropriate and ensures all breach entities have notice obligations.

### [Patent Challenges Face Stricter Standards](#)

Entities that want to challenge the validity of a patent will find it harder to use an expedited process under a [final rule](#) the U.S. Patent and Trademark Office published this week. The rule applies a stricter standard under a process, called Inter Partes Review, that can be quicker to get patent validity claims settled than a lawsuit. NAR is interested in the process because brokers and others in real estate have been subject to frivolous patent infringement claims.

### Number of Real Estate Teams Rises

Teams are becoming more common in the real estate industry as an increasing number of REALTORS® consider themselves a member of a real estate team, according to NAR's just-released [2018 Teams Survey](#). [News release](#).

### GoDaddy to Offer .realestate Domain

The new [.realestate domain](#), launched by NAR in partnership with Second Generation, Ltd., will be available for purchase through GoDaddy, [NAR announced](#). GoDaddy, get.realtor, and more than 20 other registrars will offer the domain starting Nov. 26, when it will be made available to the general public. REALTORS® who have an active .realtor™ domain can sign up for a .realestate domain through the [pre-sale](#), which runs until Nov. 16.

### Existing-Home Sales Decline

Sales of existing homes declined in September to their lowest level in nearly three years, and inventory levels rose for the second month in a row on a year-over-year basis, [NAR says](#).

### Let Communities Identify Fair Housing Issues

In a letter to the Department of Housing and Urban Development, NAR expressed support for HUD's Affirmatively Furthering Fair Housing (AFFH) regulations, but stressed to HUD the importance of allowing communities to determine what fair housing issues and barriers they face and how to best address them. [More](#).

## RESOURCES

### Hurricane Update: 12,000 Flood Claims Filed

The National Flood Insurance Program has received more than 12,000 flood insurance claims related to Hurricane Florence and distributed more than \$29 million in advance payments to policyholders as of Sept. 27, according to the Federal Emergency Management Agency. Policyholders are encouraged to file their claims without delay if they haven't already. [Share link to audio soundbite](#) about how to file a claim.

### National Land Conference Set for March 3-6

The industry's top land real estate agents will gather in Albuquerque, N.M., from March 3-6, 2019, for the REALTORS® Land Institute's [National Land Conference](#). This event is designed to help land professionals grow their businesses, assist clients more confidently, and close more deals.

### RPR® Residential: Eight How-Tos for New Users

You can learn how to conduct simple searches, gather data on schools and neighborhoods, and create useful maps, among other things, in [eight how-tos](#) featured in a New User Series on RPR® Residential.

### How to Give Res. Investors the Best Service

A [REALTOR® Magazine piece](#), as part of its Broker-to-Broker Information Network, offers customer service tips to help you work more effectively with residential market investors.

### Guide Offers Customer Follow-Up Tips

You can get ideas for improving their outreach methods in a new guide, [The Art of Follow Up: Effective Follow-up Communication Technique](#), by Firepoint Solutions. The company is making the guide free for download in a paid content arrangement with REALTOR® Magazine.

### It's Never Been Easier to Help

[Liberty Mutual, a REALTOR Benefits® Program Partner](#), will donate \$5 to NAR's REALTORS® Relief Foundation to aid survivors of disaster in communities across America for every auto, home and renters insurance quote given to members through Nov. 30. Find out how you can save on insurance coverage and give much-needed help to others.

### Video: RPAC, Issues Mobilization Work Groups

Watch a recording of a [webinar](#) during which NAR staff and member leaders reviewed recommendations and answered questions on changes to RPAC Fundraising and Issues Mobilization program policy. [RPAC Fundraising Trustees](#) and the [State and Local Issues Mobilization Program](#) work groups' recommended changes will be considered and voted on during the REALTORS® Conference.

### Save Nearly 50% on MIPIM Registration

Take advantage of a special NAR member rate to attend MIPIM, one of the world's largest real estate events. You'll save 800 euros when you register by Jan. 21 with [this link](#).

### 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 can benefit.

### Professional Agent Websites from Placester Now Even Better

You know a website is crucial to building their brand. Reminder: Placester's NAR Edition websites give all REALTORS® a beautiful and professional real estate website for free. Now these sites bring even more value: Welcome to completely updated cutting-edge design, professional content, and more. [Take a tour](#).

## Marketing Ideas for New Agents From RPR®

New agents focus on establishing and building their businesses by adopting tools that help them market to neighborhoods, impress buyers, showcase their professionalism, and nail listing presentations. Here are [five tips](#) from Realtors Property Resource® on how to achieve those goals.

## LEGAL

### Course Offers Code of Ethics CE Credit

Members can double the benefits of their Code of Ethics training by earning three hours of continuing education credit when they complete NAR's [online training course](#). With this course, REALTORS® can meet their ethics training requirement at their desk. The two-year cycle ends Dec. 31.

### Video: Assistance Animals in Housing

The latest [Window to the Law video](#) from NAR Legal Affairs examines the issues that may come up when an individual requests an accommodation for an assistance animal. [Access a white paper](#) on the federal, state, and local laws that protect people with disabilities.

### Legal Pulse: Property Condition Disclosure Cases

Read cases from the second quarter of 2018 on [property condition disclosures](#) in a section highlight from NAR's Legal Pulse publication. Two of the cases look at a licensee's alleged failure to disclose a condition on the property that affects the purchasers' ability to use the property in the manner they intended at the time of purchase.

### Broker Denied Commission in Dual-Agency Case

The New York Supreme Court, Appellate Division, has affirmed a lower court's dismissal of a lawsuit filed by a real estate brokerage against a seller it was trying to collect a commission from. The court found that the brokerage had acted as an undisclosed dual agent because it represented both the buyer and seller in a transaction. [Details](#).