



SYNOPSIS OF C.A.R. BOD ACTIONS AT THE 2012 WINTER BUSINESS MEETINGS

Highlighted by the appointment of SAMCAR's own Sue Walsh to the Executive Committee of the California Association of REALTORS®, following is a summary of the significant action items approved by the C.A.R. Board of Directors at its Winter 2012 meeting. A complete set of minutes is available for review upon request from C.A.R.

CALIFORNIA REALTOR® EXPO ADVISORY

1. It was reported for information only that the CALIFORNIA REALTOR® EXPO 2012 will be held October 2-4, 2012 in Anaheim. The theme will be "Your Membership, Your Way."

DISTRESSED PROPERTIES TASK FORCE

It was reported for information only that the Distressed Properties Task Force has made the following recommendations:

1. C.A.R. should research options (in both statute and regulation) to address the financial incentive that servicers have to delay.
2. REALTORS® need to better train agents on how to prequalify or "triage" short sellers; in particular in discovering whether Mortgage Insurance covers a loan, and in discovering the identity of the investor/owner of note.
3. C.A.R. should continue to pursue improved language in individual lenders' contract addenda for distressed property sales. At the same time Standard Forms should review short sale forms in the areas of:
 - a. Continuing to receive back-up offers.
 - b. Asking for documents revealing defect correction or code compliance citations in AVID or contract addenda for REO sales.
 - c. Inclusion of last four digits of Social Security Number and DOB, as those items are routinely required by lenders.
4. C.A.R. should continue to clarify the rules under SB 458, Corbett, (the C.A.R.-sponsored legislation prohibiting deficiency liability after a short sale), especially regarding seller contributions to sale proceeds.
5. C.A.R. should expand its members' need for training on lender-specific transaction rules.

6. C.A.R. should continue to support a streamlined HARP (Home Affordable Re-finance Program) based upon C.A.R.'s earlier policy motion adopted in 2011.

7. The Task Force recommends to the Transaction and Regulatory Committee that it SUPPORT extension of the "no underwriting HARP refinance" rule in #6 above to non-agency loans pursuant to the same HARP guidelines.

EXECUTIVE COMMITTEE

1. That the following 2012 Presidential appointments be approved: 2012 Executive Committee - Le Francis Arnold, Don Faught, Chris Kutzkey, Joel Singer, Jeff Barnett, Diana Bustamante, Janet Dorsey, Richard Gaylord, Glenn Hellyer, Karl Lee, Robert Leighton, Tangie Leverett, Terry Murphy, Pat Neal, Marian Norris, Beth L. Pearce, Larry Spiteri; (2012 Directors at Large) Sue Walsh (SAMCAR), Darnella Barnes (Delta), Kathryn Burdett (Inglewood), Virginia Butler (Palos Verdes Peninsula), Mary Jane Cambria (Orange County), Staci Caplan (Santa Barbara), West DeYoung (Pasadena-Foothills), Leslie Dopp (West Contra Costa), Vern Hansen (North Bay), James S. Irving (Paso Robles), Paulina Lee (Arcadia), Anita Martin (Southland Regional), Lee McLeod (Tehama County), Tim Muetterties (Calaveras County), Bobbie Nelson (Santa Cruz), Steven Rice (Greater Antelope Valley), John Schulte (Inland Gateway), Scott Swendiman (Shasta County), Heide Wolf-Reid (Bay East), Yahia Zabdie (Tri Counties).

HOUSING

1. In response to proposed regulatory pilot programs addressing GSE and FHA Bulk Sales and Rental Restrictions on GSE and FHA Bulk Sales of REO Properties, C.A.R. allocate staff resources and monetary resources not to exceed \$500,000 to lobby the appropriate legislative and regulatory bodies with jurisdiction and authority over said programs with the purpose of stopping or minimizing the negative effects said program may have on local markets within California. Additional resources and funds to be allocated towards a public media campaign. C.A.R. Staff to determine the appropriate media to be used to address the issue. Due to the time sensitive nature of the issue, C.A.R. staff to take action within 30 days of the January 2012 BOD meeting.

IMPAC TRUSTEES

Reported for informational purposes that among other expenditures, \$15,000 was approved for the Oakland Association of REALTORS® to go towards legal expenses and educational materials for a new sewer lateral ordinance in Oakland, and approve the request for a total of \$5,000 from three inter-board solicitations.

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LEGISLATIVE

1. That C.A.R. take a "NOT REAL ESTATE RELATED" position on proposition (Number Pending) which Prohibits Political Contributions by Payroll Deduction. Prohibitions on Contributions to Candidates. Initiative Constitutional Amendment for the November 2012 state ballot.

NOTE: C.A.R. has previously taken the following positions on upcoming 2012 state ballot propositions:

An as yet unnumbered Proposition for the June 2012 ballot entitled Legislative Term Limits Reform Act of 2012. Initiative Constitutional Amendment. "NOT REAL ESTATE RELATED"

An as yet unnumbered Proposition for the June 2012 ballot entitled HOPE 2010: California Cancer Research Act. Initiative Constitutional Amendment. "NOT REAL ESTATE RELATED"

An as yet unnumbered Proposition for the November 2012 ballot entitled Safe, Clean, and Reliable Drinking Water Supply Act. "NEUTRAL"

An as yet unnumbered Proposition for the November 2014 ballot entitled State Budget. Changes California Budget Process. Limits State Spending. Increases "Rainy Day" Budget Stabilization Fund. "NOT REAL ESTATE RELATED"

MLS/ COMPUTER AND BUSINESS TECHNOLOGY

1. That, upon final approval by NAR, C.A.R. Model MLS Rules be revised and placed into Tier One of the C.A.R. Model Citation Policy as set forth below:

7.27 REO Disclosure. Participants and Subscribers submitting foreclosure, bank-owned, or real estate owned ("REO") listings to the service shall disclose said status on the service.

2. That C.A.R. petition NAR to re-examine its Lockbox Policy Statement 7.31 to better enable an MLS to enforce a rule requiring use of an MLS designated or authorized lockbox on listings submitted to the MLS.

PROFESSIONAL STANDARDS

1. It was reported for information only that a system will be developed by staff to create a database that contains all final findings of a member's Code of Ethics and membership duty violations within the last three (3) years, and whether the member has any unfulfilled sanctions, for use by local Associations in making their decision on membership applications.

STANDARD FORMS ADVISORY

1. There were 12 Regional Representatives reports given to the Standard Forms Advisory Committee (SFAC) meeting. The committee received comments on many drafts including the Septic Addendum (SWPI) form and the Short Sale Addendum (SSA) form.

The SFAC reviewed 5 drafts scheduled for release April 2012:

- Carbon Monoxide Detector Notice (COD) – new form
- Office Management Agreement (OMA) – new form
- Parking and Storage Disclosure (PSD) – new form
- Contingency for Sale or Purchase of Other Property (COP) – revised form
- Septic Well Inspection, Property Monument and Allocation of Cost Addendum (SWPI) – revised form

Considerable discussion was had on the carbon monoxide detector form and whether to make the installation of the device a contractual obligation. The SFAC opted against this direction for the time being. Additionally, a decision was made to change the initials of the Carbon Monoxide Detector form to CMD. There were also some other minor modifications to the form.

The SFAC decided to remove the Broker signature from the Addendum (ADM) form and release this revision in April 2012 and to also create a separate addendum form for Brokers to use with their buyer or seller client. A draft of this new form will be presented at the May business meetings.

A report was made on behalf of the Distressed Properties Task Force regarding the Short Sale Addendum (SSA), the Authorization to Receive and Convey Information (ARC) and the Agent Visual Inspection Disclosure (AVID). The committee considered their concerns and as a result, an SSA draft will be presented in May 2012. More discussion on their recommendations will take place in an upcoming SFAC conference call.

TRANSACTION AND REGULATORY

1. That C.A.R., as an as yet unnumbered "SUPPORT" SB (Corbett) that would protect refinanced purchase debt from deficiency liability. The Senate Bill number is pending at this time.
2. That C.A.R., in conjunction with NAR, "SUPPORT" the extension of the Home Affordable Refinance Program (HARP) to allow for the government sponsored enterprises (GSE) to refinance non-GSE loans under the program.
3. That C.A.R. "SUPPORT" legislation that would prohibit "dual tracking" of foreclosure and short sale actions by lenders when there is a valid short sale in process.
4. That C.A.R. "SUPPORT" a Real Estate Fraud Prevention surcharge increase on real estate recordings from \$3 to \$10 provided that it does not apply to documents related to escrow and the transfer of property.