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President's Message



I want to say how much I have enjoyed serving all of you for the past year. It has been a rewarding experience and I am proud of what our board has accomplished. In the past year we have changed orientation to an online format, moved our assets to a much better investment portfolio, joined the Community Foundation so that our donors can have a charitable write off and we can have much more prominence for our charitable works in the community, and we are moving our office to a more professional space with better access and parking.

The committees have also been busy continuing to update and enhance the services that we provide to our members. I want to say thank you to our board and committee members for all of the hard work and effort they have put into making our association stronger.

I hope that all of you will take advantage of NAR's new RPR site. It has many tools for you to use, great reports, price adjustments for home improvements, neighborhood information and much more. Please take advantage of any webinars and training that is offered. You can find the site at www.blog.narrpr.com or www.narrpr.com. This is like Zillow or Trulia in a much more professional format for you and your clients to use.

As we continue to move forward in this very difficult time period for our industry, we hope that you will continue to look at us for support. I thank you for allowing me to serve you in the past year.

Sandy Fouche

NAR Analysis of Impact of Real Estate and Small Business Investment in U.S.

NAR recently conducted an analysis of the impact real estate and small businesses have on the U.S. economy. A few tidbits from the analysis are listed below.

The entire article, and other information from NAR can be found on their new portal: <http://economistsoutlook.blogs.realtor.org/>

Small businesses are major GDP and employment generators in the United States. In 2008, small business firms were 99.7 percent of private-sector employer firms and employed about half of all private sector payroll employees (SUSB). Earlier estimates show that small businesses have generally been responsible for half of all U.S. GDP. The term "small business" varies from source to source, but typically "small" is based on an employment or receipts standard – fewer than 500 or fewer than 250 employees. After the jump we look at the way that real estate interacts with small businesses.

Real Estate Ownership for Small Businesses:

2009: "Falling real estate values (residential and commercial) severely limit small business owner capacity to borrow and strains currently outstanding credit relationships. Ninety-five (95) percent of small employers own real estate, including a primary residence, the business premises (commercial), or investment real estate that is neither of the two. Twenty (20) percent hold one or more mortgages on real estate that finances other business assets and 11 percent use real estate as collateral for business purposes. A non-mutually exclusive 20 percent hold a second mortgage on a property. Thirteen (13) percent report at least one property upside down." (NFIB 2010, pages 1 and 20)

• 2010: Real estate ownership continues to be a major drag on small business's

capacity (and presumably willingness) to borrow. Ninety-five (95) percent of small employers own real estate, including a primary residence, the business premises (52 percent), or investment real estate that is neither of the two (37 percent). (NFIB 2011, pages 1, 29-30, and 33)

• In 2010, 68 percent have at least one mortgage, 17 percent at least one second mortgage, and 12 percent have at least one property used as collateral. Forty-six 46 percent of small employers own at least one type of real estate property free and clear (it is un-mortgaged and not used as collateral). (NFIB 2011, page 1, 31, and 33):

Primary Residence Ownership and Small Businesses:

The owner's residence is every bit as much a part of the business balance sheet as the firm's equipment and vehicles. In fact, the asset value of the owner's residence is more important to more owners than other real estate assets. A decline in the value of the residence therefore adversely affects the balance sheet." (NFIB 2011, page 29)

• Ninety-four (94) percent of small employers own a primary residence (94 percent). By comparison, 91 percent of REALTORS® including 94 percent of REALTORS® aged 60 or older own their primary residence. (NFIB 2011, page 29; NAR 2011, page 73)

• Housing equity fell from \$13.5 trillion in 2006 to \$6.2 trillion according to Flow of Funds data from the Federal Reserve, largely due to price declines measured to be about 30 percent from the peak. (FoF)

• In 2010, 65 percent of small business owners who own a primary residence have a mortgage on it and 24 percent of mortgaged owners indicate that one or more of the mortgages taken out on the primary residence was to finance business activities. These figures are similar to those in 2009. (NFIB 2011, page 33)

-Danielle Hale
NAR Research Economist



Changes to FHA Financing Approvals for Condominium Associations

New rules regarding approval of condominium properties went into effect July 1, 2011. In some cases, the new policies are affecting transactions with FHA related financing. It has come to our attention that some transactions are being delayed or prevented due to HUD expired approval for some condominium associations. Please be advised that lender approval on FHA loans may be an issue for some properties that are part of a condominium association (and possibly homeowner associations as well.)

Learn 10 ways Google Apps can help Real Estate Professionals



GoogleApps is hosting series of free webinars to learn more about GoogleApps can help generate more business for you.

Here's why it pays to use Google to connect to home buyers and sellers:

- Google can help generate real estate referrals and leads.
- Google has online productivity tools to accelerate your business.
- Google is the most-used search engine for researching and purchasing real estate information and services.
- The Google Network reaches over 80% of U.S. Internet users.

Discover how you can provide your agents with powerful tools to increase client communication and sales in our free webinar on Google Apps for Real Estate Professionals.

RPR is Here!

REALTOR® Property Resource (RPR) is now online with live data for the entire MRIS coverage area. RPR is a national database of assessor, recorder and mortgage data, MLS content, foreclosure information, demographics, and neighborhood data.

RPR is a NAR initiative designed to provide REALTORS® with an abundance of information to complement MRIS listing data. RPR has an amazing array of charts and for you and your clients and customers. The system also offers templates for helping your buyers and sellers judge the value of home improvements.

Detailed reports can easily be printed or emailed. This system is FREE and is available only to REALTORS®. Take time to learn more! Visit www.narrpr.com. A GREAT member benefit.

Changes in Freddie Mac

Freddie Mac Servicers are required to meet new servicing requirements for borrower contact, delinquency management, foreclosure time lines, and incentives and compensatory fees by October 1, 2011.

One submission for all workout options! Servicers evaluate borrowers simultaneously for the Home Affordable Modification program (HAMP), Home Affordable Foreclosure Alternatives (HAFA), and all other available foreclosure alternatives

Through the joint-GSE Servicing Alignment Initiative, Freddie Mac implemented a new set of consistent mortgage loan servicing and delinquency management requirements. Overall, we believe that these consistent servicing standards will further enhance Freddie Mac and our Servicers' mutual goal of quality and responsibility servicing, while strengthening assistance for delinquent borrowers.

When fully implemented, Servicers will manage delinquent loan servicing under a new set of GSE-aligned requirements for the following...

More information is available at:
http://www.freddiemac.com/singlefamily/service/servicing_alignment.html

Join the Young Professionals Network

I am excited to announce the Frederick County Association of Realtors Young Professionals Network (YPN)! YPN was established in 2006 by REALTOR Magazine and has since evolved to thousands of members and a growing number of local networks nationwide. The mission of YPN is to help young real estate professionals excel in their careers by giving them the tools and encouragement to become involved in REALTOR Associations, take an active role in the industry, mentor to and learn from their peers and be involved within their community. The network is geared toward professionals who strive to be successful and who will encourage and support others within the network to do the same. If this is you, then get ready to get involved! There are no restrictions – YPN is open to the young in age, young at heart or young in real estate years.

In order to have a successful YPN of FCAR, a YPN Committee has been established. The committee will be responsible to create, promote and establish the meetings, networking sessions and events of the YPN of FCAR and we need YOU! The YPN Committee will meet the second Thursday of each month at 10:30am with the very first meeting being held November 10. If you are interested in joining YPN or are interested in joining and serving on the committee, please email Valerie at info@fcar.org or Amanda Addington at amandabaddington@gmail.com. I look forward to an exciting year with YPN!

-Amanda Addington
2012 YPN Committee Chair

Homeownership Matters Campaign

For the first time in generations, the American dream of homeownership is being threatened. The "Future Generations" advertising campaign emphasizes NAR's commitment to protecting homeownership for our country's families and future generations. Ad will be running through November on major networks during prime time. A full schedule is available on the NAR web site.



Congratulations to the Newly Elected 2012 FCAR Board of Directors

President: Gloria Castle
 President – Elect: Bob Golden
 Immediate Past Pres.: Sandy Fouche
 Treasurer: Darren Ahearn
 Secretary: Michael Kurtianyk

REALTOR® Director: Norma Boone
 (3rd year of 3 year term)

REALTOR® Director: Emery Csulak
 (2nd year of 3 year term)

REALTOR® Director: Peggy
 Magnanelli (1st year of 3 year term)

REALTOR® Director: Judy Thompson
 (1st year of 3 year term)

Affiliate Director: Tod Salisbury (1st
 year of 2 year term)

WSJ Article Discusses Need to Address Housing Issues

In the end, we can't dodge housing.

The U.S. recession and financial crisis of the late aughts began with housing and the scourge of subprime mortgages, which were so messily dispensed. It spread to Europe and its banks.

For a few years we tried to work around the paralyzed housing sector – the drip, drip of steadily lower home prices, the

unresolved status of the wounded Fannie Mae and Freddie Mac — and it seemed to be working.

With the help of a super-easy Federal Reserve, fiscal stimulus and much else an admittedly weakish recovery took hold.

Now that worries mount about an ever more likely return to recession amid a significant equities markets decline, we are hearing again about housing.

There's the foreclosure mess, the underwater mortgage mess, the tight mortgage lending standards and all the rest. There's displaced construction workers. There's consumers unwilling to spend as their perceived real estate wealth evaporates.

There's housing, traditionally the leader out of recession, still generally in decline, and harder to ignore.

Just today, two well-known commentators on the U.S. economic scene weighed in on housing, and it wasn't encouraging.

Warren Buffett, chairman of Berkshire Hathaway Inc., was generally upbeat about the economy. He cited record carloads at the company's railroad, Burlington Northern, and same-store sales increases at Berkshire's retail outlets.

But he was downbeat on housing. The company's housing units are "as bad as they've ever been during this period." The usually sunny Buffett said he likely would have to amend his view that housing would recover by year-end.

On Capitol Hill, Fed Chairman Ben Bernanke talked about housing as he urged Congress and the administration to in effect join the Fed in attempting to spur the economy.

He said Congress should develop a "future path" for housing, Dow Jones reported.

Given political realities, it's hard to imagine much of a fiscal push, in housing or elsewhere.

But there are reasonable proposals offered from many corners that don't spell stimulus in capital letters but would do some good.

As has been widely pointed out, the "Operation Twist" effort by the Fed to drop long-term interest rates even below their historically meager levels won't do much for housing if too many people won't qualify for mortgages or can't refinance because the value of their home has declined or they don't have much equity.

That has to change. By regulatory fiat, where possible, more people who are current on their mortgage payments have to be able to refinance their mortgages to take advantage of rates near 4%.

That savings for many would go into additional spending, a stimulative measure, and would boost their economic psychology, which is important. Even if they used the savings to pay down their own debt it would do long-term good.

Someone also has to take a hard look at standards for initial mortgage qualification. Obviously, things became absurdly easy as the housing bubble inflated. But pendulums swing too far and experts should determine if there's a middle ground that would allow more to qualify without excessive risk to lenders.

It's time to stop trying to work around housing, and take it on.

-By Neal Lipschutz
 Originally printed in
 Wall Street Journal 10/4/11

Denise Karanikas Awarded Md WCR Affiliate of the Year

FCAR Affiliate member Denise Karanikas of the Frederick County Chapter of the Women's Council of REALTORS® was presented the Affiliate of the Year Award for the state of Maryland at the State WCR Annual Meeting and Awards Luncheon on Tuesday, September 13, 2011, in Ocean City, MD. Karanikas has been a national WCR Affiliate since 2004. She served two terms as chapter treasurer and has been an active member of the Ways & Means Committee since 2007. In her capacity as a mortgage loan officer at Mid-Atlantic Farm Credit she has maintained success as the office leader in volume and number of transactions.

The award was presented by Past Chapter President Gloria Castle, who received the MD WCR's REALTOR® of the Year Award in 2010. Castle said, "Denise quietly goes about the business of making the chapter great, and we are very proud to see her contributions recognized at the state level. She is a valuable member of the group and sets an admirable example of leadership."

Women's Council of REALTORS® is a nationwide community of more than 13,000 real estate professionals who include many of the best and brightest in the business. WCR is an affiliate of the National Association of REALTORS® and is headquartered in Chicago, IL. For more information on WCR, please visit WCR.org.



Marla Johnson Honored with Membership in Omega Tau Rho National Fraternity

The Maryland Association of REALTORS® has awarded Marla Johnson the OMEGA TAU RHO AWARD, established in 1950 BY THE NATIONAL ASSOCIATION OF REALTORS®. This award recognizes REALTORS® and association staff members who provide dedicated and longstanding service to their local, state and national NATIONAL REALTOR® organizations.

Membership in this national honorary fraternity is represented by the Medallion of Service. This select group currently includes fewer than 160 Maryland REALTORS® and association staff members.

The OTR was established in 1950 by the National Association and until the mid-90's it was awarded by NAR. At that time, NAR shifted the responsibility to the State Associations to award. Membership in this honorary fraternity is represented by the Medallion of Service which symbolizes the recognition and appreciation accorded inductees for their contributions to NAR, its affiliated Institutes, Societies and Councils.

Medallions are awarded to those nominated who have honorably completed their term of office as:

- An officer or Director of NAR
- An officer of any Institute, Society, or Council
- A president of a State Association
- REALTOR Emeriti
- REALTOR of the Year of State Associations (how Marla got hers)
- Executive Officers of Local & State Associations with 10 years of services.



Revised Contract Forms from MAR

On October 1, MAR released several form revisions. Several Statewide forms have been revised. The forms are effective October 1, 2011. Changes were made to the following forms:

- MAR Residential Contract of Sale;
- MAR Exclusive Right to Sell Listing Agreement;
- MAR Unimproved Land Contract; and
- MAR Cash/Conventional Financing Appraisal Addendum

Please be sure to review the 2011 Statewide Form Review & Practice Tips document for details regarding the changes.

These forms are designed specifically for use on a state-wide basis, to comply with laws of general application in the State of Maryland. MAR makes no representation about compliance with local law, which may require the use of additional or different terms and/or forms. Users are strongly advised to consult with their local board of REALTORS® and their broker to ensure conformity with local law and practice. Local addenda for Frederick County are available through ZipForms.

Summary of MAR Form Revisions,
Effective October 1, 2011

MAR Residential Contract of Sale

•Paragraph 16 (the Lead Paint Paragraph) was revised to include a provision discussing the Lead Renovation, Repair and Painting Rule (“Rule”). The Rule took effect April 22, 2010 and advises sellers that contractors hired by sellers to do certain kinds of work on property constructed prior to 1978 must be certified by the EPA. It also alerts Owners that if they perform the kind of work covered under the Rule on rental property constructed prior to 1978, they must be certified by the EPA prior to performing the work.

Practice Tip: Be sure to discuss this provision with your client. If you represent the seller, you might discuss it at the listing appointment. If you represent the buyer, you might discuss it prior to the buyer submitting an offer to purchase.

•Paragraph 19 (the Deposit Paragraph) was modified to comply with HB 1109

which is effective October 1, 2011. HB 1109 clarifies that brokers must follow the current rules under 17-505 of the Business Occupations and Professions Article for returning deposit money when state law permits a buyer to rescind a contract of sale. In order to return deposit money, 17-505 requires: an agreement of the parties; an interpleader action; or a determination by the broker of who should receive the money and notification to the parties of the decision. This process must be followed even if the property is subject to a condo, HOA or Coop regime.

Practice Tip: Brokers and managers are advised to review Section 17-505 of the

Maryland Real Estate Brokers Act
which discusses proper handling of the earnest money deposit.

•Paragraph 50 (the Notice to Parties Paragraph) was revised to add language referencing the Lead Renovation, Repair and Painting Rule to state that agents and brokers make no representations with respect to whether licensed contractors were used to make covered repairs.

MAR Exclusive Right to Sell Listing Agreement –

•Paragraph 13 (the Lead Paint Paragraph) was revised to include similar language regarding the Lead Renovation, Repair and Painting Rule as adopted in Paragraph 16 of the MAR Contract.

Practice Tip: Be sure to discuss this provision with the seller at or prior to the listing appointment.

Unimproved Land Contract –

•Paragraph 7(b) of the Payment Terms Paragraph was modified so that it mirrors Paragraph 7(b) of the MAR Residential Contract of Sale which allows the parties to determine how any additional deposit will be handled.

Practice Tip: You may alert the parties that they may decide how any additional deposit will be handled.

Cash/Conventional Financing Appraisal Addendum –

•A technical change was made to this form. Specifically, the word “offer” was deleted from the heading.



Project Access

Fully Funded at 156%!

Not only did we reach our goal of \$1500 but also we have received a donation for upgrading to Trex for a total of \$2332!

Thanks to so many of you for helping this become a reality:

- Larry Schaffert, President, Schaffert Construction, for blueprints and materials list

- Kevin Aurandt, CEO, Tuscarora Builders, for serving as construction supervisor on the 14th

- Build Volunteers: Michael Lyons and David McBride of Embrace Home Loans, Tim Winter of State Farm, and Dennis Helmstetter of Real Estate Teams

- Food Donation: Jan Reynolds of Real Estate Teams

- Monetary Donations: Ed Andrews of Long & Foster for the referral to Safeway, who generously donated \$1300 to the project; an anonymous donor; Marie Petrelis of Turning Point Real Estate; Judy and Peter Thompson of Mackintosh Realtors; and Embrace Home Loans.

October 14 is build date for the ramp for the Vander Weidens' home in Frederick.

We welcome a few additional volunteers. If you can give us your time, please contact one of the following:

- Judy Thompson, 301.644.2123
- Dixie Westmoreland, 240.848.6302
- Donna Kuzemchak, 301-964-9988

Thanks so much!

By the way, we are also looking for a few new members. We have two more requests for ramps!

Please contact anyone above, and we'll give you details.

-Judy Thompson
EO/CD Committee Chair

Revised Contract Forms from MAR

Members of Congress continue to disagree on the budget and funding of the United States government. That impasse has led to the near shutdown of the federal government and almost no movement on many important issues. Last week, Congress passed a short term continuing resolution (CR) through October 4, simply to avoid a government shutdown. When Members return to Washington, DC next week, the House will begin consideration of a longer term CR (already approved by the Senate) to keep the government funded until November 18.

Congress failed to extend the FHA and GSE loan limits. Therefore, on October 1, those limits declined in 669 counties in 42 states, including Frederick County and the surrounding counties of Washington, Montgomery, and Carroll.

High cost areas, which include the Washington MSA counties of Frederick and Montgomery, now have loan limits of \$625,000, down from \$729,750. In Washington County, the loan limit has now reverted to \$271,050, down from \$377,500. Carroll County, which is part of the Baltimore MSA, has a loan limit of \$494,500, down from \$560,000. NAR continues to work with Congress to get the higher limits restored.

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
30	Halloween 31	1 Communications Committee 1:00	2 Education Committee: 8:00 HO/D&M Housing: 10:30 Community Service: 11:00 a.m.	3 Board of Directors Installation: Consults Martin	4	5
6 Daylight Saving Time Ends	7 Model Forms Committee Meeting 9:00 a.m.	8 Election Day VICP Board of Directors 9:00 a.m.	9 Equal Opportunity and Cultural Diversity Committee	10 Model Forms Committee - 8:00 am YPI Committee - 10:30 a.m. Laps and Legislative Update - 2:00 - 3:00 am	11 Veterans Day	12
13 Membership Committee Meeting 9:30 am	14 2011 Tax Deferral Exchanges - 2:00 - 3:00 am	15 FCAR Board of Directors Meeting 9:00 a.m.	16 Community Service - SILENT AUCTION	17	18	19
20 MO Code of Ethics - 2:00 - 3:00 am	21	22	23 Thanksgiving FCAR CLOSED	24 FCAR CLOSED	25	26
27	28	29	30 Membership Meeting 11:00 a.m. Guest's Daughter	1	2	3

see the complete calendar on
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Here is a sampling of some of our items



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