

FORECLOSURE PREVENTION/RESPONSE

Areas of Consensus

- A. Education is needed for the public.
- B. Partnering with existing entities already offering foreclosure prevention programs.
- C. Innovative Responses

Education

- Brochures addressing foreclosure prevention and the consequences of foreclosure.
- PR Campaign
- REALTOR® and Association website with links to existing entities offering foreclosure assistance.
- Link to NAR foreclosure brochure on REALTOR® and Association websites.

Partnering

- State and local agencies already offering foreclosure assistance should be utilized as a resource for education and homeowners in need of counseling.
- Some community banks offering foreclosure workshops. Support, promote, get involved.
- NAR Grants available for funding of State Association programs. Learn more at www.realtor.org.

Response

- MA Association partnered with State AG's office to create and distribute 20,000 foreclosure brochures.
- Some banks hiring asset managers to facilitate work-outs with homeowners in trouble.
- Legislation should require standardized process and forms that lenders and homeowners could easily follow.
- CT passed temporary legislative that requires 60 day timeframe for mediation between homeowners and lender. Of the total foreclosures in CT, 70% have gone through the mediation process and over half of those show favorable results.

LEADERSHIP IDENTIFICATION/TRAINING

Getting Members Involved

- Try to identify and encourage people who are not currently involved.
- Work with broker/owners to get their agents involved.
- Each one bring one.
- Current leaders should help to identify their replacements.
- A personal ask from fellow REALTORS® with a specific task is key.
- Use Past Presidents to identify and encourage participation.
- Utilize social media to educate members.
- Look for people who are making good contributions and attending meetings.
- Share names of potential leaders with State and local Associations.
- Get people on workgroups and special projects.
- Recognize people for their interest and passion.
- Let someone know that they have leadership possibilities.
- Identify needed talents.
- Keep an inventory of potential leaders.
- Create a Leadership Academy.
- Encourage potential leaders to attend State and National meetings.
- Sell benefits of serving in leadership: networking, practice of profession at higher level, competitive advantage, contacts.
- Create Rising Star program.
- Encourage and mentor Young Professional Network (YPN) members.
- State leadership should attend local Board meetings to identify potential future leaders.
- Make volunteers feel welcome at the grassroots level.
- Overcome myths such as it takes up too much of your time and it will hurt your business.
- Be honest with expectations.
- Value member's time.

Encouraging Members to Move up in Leadership

- Introduce potential leaders to the right movers and shakers.
- Mentoring at the State, local and National level.
- Partner experienced and non-experienced volunteers.
- Use senior members as advisors and co-chairs.
- Offer recognition of accomplishments.
- Encourage to do more.
- Make the personal ask.

Pain in the Neck Members

- Encourage them to move up/out.
- Use Past Presidents to "talk to the member".
- Use incoming President to get them to play on the team.
- Take them under your wing.
- Set term limits.
- Get them to assist in fixing the problem(s) that they are complaining about.

MEMBERSHIP PARTICIPATION

Honor Club – local Associations would require members to participate in various events, classes, etc. and when the member fulfills the qualifications, they are awarded honor certificates or pins.

Cook Book – one local Association went to area restaurants and got them to donate a recipe to include in a cookbook. They then made a nice cookbook with the inside cover listing REALTOR® benefits and information about the local Association. They sold to cookbook to members for \$20.

Dead President's Club – get local Past Presidents to visit offices and engage the membership in activities and share Board information.

Leadership Academy – local Association asked office owner's to identify members to participate in this academy to encourage and increase member leadership. Once in the academy, students were given training, certain community projects and other assignments as part of their academy training. At the end of the program, there was an actual graduation and then the graduates were each given a committee assignment. The program was kept small so that it would be an honor/special thing to be involved in.

Friday Fax – one local Association sends a fax every Friday with the local market statistics.

Cost of Membership - Charts breaking down the actual cost of membership as far as what the various programs/services offered (i.e. CE, Legal advice, forms) would cost. If paid for separately, the cost of these services was well above the cost of Association membership.

Tech Support Line – Associations buy this service, allowing members the ability to call a tech support line free of charge for various technical issues. The cost on average is about \$2 per member.

Survey – surveyed membership allowing them to specifically ask for things that they need/want from the Association. The survey was also geared towards what they could do to increase member participation, etc.

Legislative – one State Association put on a 2-day statewide legislative event where they invited member and State Legislators to the table for a discussion. The two day program was broken down into various segments allowing members to discuss the issues and then the following day, deliver the issues to the Legislators.

"Get Active" – one State Association has instituted a new program where members can earn "points" for participating in or taking advantage of various Association programs/services. Once they earn 10 points, they submit an entry form and are entered into a drawing for various prizes ranging from a \$500 gift card to \$100 gift cards.

POLITICAL INVOLVEMENT/RPAC

The National Association of REALTORS® offers a \$5,000 grant to Associations to offset some of the expenses for hosting a RPAC event. Some of our New England States cannot use the money because of their election laws, but you should check with your legal counsel to see if you can use it for education only.

Below are some ideas that local/State Associations have used to raise RPAC dollars:

- Chili cook-off with a live auction.
- American Idol Contest – the winner was not the one with the best talent, but the one who raised the most dollars.
- Talent Contest – again, the winner was the one who raised the most money.
- Dancing with the REALTORS®
- Beer and Wine Tasting
- Comedy Show
- Miss RPAC – Men dressed up as women and members bid on the best dressed male/woman.
- Casino Night - \$25 entry fee to buy the chips and if you want you can purchase more chips. All prizes are donated.
- Flocking Campaign – 12 pink flamingos were placed on REALTORS® lawns at night. In order to have the Flamingo removed, you make a donation to RPAC. REALTORS® were given a flamingo pin which said “I’ve been Flocked”. There was also an appreciation reception.
- A pet rabbit was brought to REALTOR® offices with food, water, etc. and when the office had 100% participation in RPAC, the rabbit was removed.
- One REALTOR® invited agents to her home for a cocktail reception at a cost of \$100 per member. She raised \$5,000 in one night.
- Broker Open Houses – the RPAC Chair auctioned off Brokers to drive the agents to the open houses (caravan). One Broker tried to bid himself up by offering to drive the agents in a limo and another Broker offered to not only drive the agents in a limo, but bought them lunch. That event raised \$9,500.
- One Board bought diamond pendants and faux diamonds. REALTORS® bought a glass of champagne with a diamond in it – some were real and some were not. Certificates of Authenticity were given to the REALTORS® who won the real diamonds. A certified gemologist was present to authenticate the diamonds.
- For member meetings, some Boards had a “Special Bar” set up for members who contributed \$99 or more.

REGIONAL COLLABORATION

- Regional convention had support in all discussion groups. Could be combined with NERC but open to all members. Possibly expand with trade show, education and national speakers.
- NO to any print publications.
- Need more regional information from the NERC Caucus at NAR Midyear and Annual Convention as in reports from State Presidents as had been done in the past.
- Would like to see use of a regional website or blog. We could use a Regional Facebook or LinkedIn page or other electronic form for communication but have some means of back and forth communication for leadership as well as for members.
- There is a need for more information about RPAC. Members would like to see examples and results from RPAC contributions to emphasize the importance.
- Distribution of regional info could be done through webinars or online video.
- Create a Forms Catalog online so agents practicing in multiple states would have a place to go to get standard forms. Could use the State Forms in PDF format.
- Share State Presidents at other State meetings.
- Need for reciprocal education among New England states.
- Some support for sharing of MLS data for use by members on state borders.
- Let's attract NAR events to our region.
- Creation of a New England REALTOR® calendar.
- Support for round table sessions at regional events.
- Provide broker-owner forums at regional events where those who aren't competitors can be grouped together.
- Consider International events for New England because we are such a melting pot allowing for regional information among various cultures.
- Consider regional tourism issues among the New England REALTOR® community.

SHORT SALES

- Don't take a listing you cannot sell – pick and choose the listings.
- Qualify the seller and the buyer.
- Educate the Co-Broke
- Co-Broker check list – addendum and disclosure
- Listing preparation – know the seller's situation and price the property correctly
- Don't negotiate yourself – let a lawyer (liability issue)
- Meet with client after they talk to a 3rd party (lawyer)
- Receive feedback in writing
- Meet the BPO appraiser at the property (some BPOs are coming in high – some drive by)
- Have Buyer and Co-Broke sign document stating what they are getting themselves into – don't rely on the other REALTOR®
- Short Sale Addendum Task Force was used in Rhode Island
- Communicate with the Buyer and Co-Broke – update them even if there is no news
- Know lender's track record for performance
- Know the liens
- Do inspection now – not later
- Take backup offers / backup offers subject to the release of the 1st offer
- Bank of America is streamlining – turn around is promised to be six weeks
- War stories: 1. short sale since last July – just found out it went to foreclosure – listed with another agent; 2. lost buyers due to no communication; 3. subs took appliances; 4. Thirteen (13) offers –no responses – we would sell them higher if they responded faster – Buyer withdrew
- Wanda from Fannie Mae has helped if you call her
- Most REALTORS® don't share information about short sales
- Second mortgage holder is the most difficult
- How does the lawyer/facilitator get paid? They negotiate their own fee or ask the buyer to pay \$1,500 to \$2,500 leverage
- Bank of America since last April got the OK yesterday – used a loan work out team
- Bank of America – paperwork on the computer is working – 4 to 5 weeks got communication
- Send over showing/feedback paperwork
- Take offer, have an inspection, sign purchase & sales – **then** send it to the bank – it's faster!
- Challenges with multiple lien holders, especially Citizens Bank home equity loans
- 4 month average
- Lenders are more likely to pay a lender, but not a short sale company
- MassNear.com – has 10 tips for dealing with short sales
- Banks are dragging their feet – the bank would rather do a foreclosure, because the Feds help with the loss
- Try to assist the agent doing the BPO – they are not held to appraisal guidelines
- Ask the seller up front if they are upside down in their mortgage
- Find out what the seller owes from the registry or Warren Group (Banker and Tradesman in Massachusetts)
- Ran a radio commercial – “stressed out about paying your mortgage – call the short sale hotline”
- Being in a declining market area is a challenge

SOCIAL MEDIA/NETWORKING

The discussion groups were asked ways that social media was being used effectively in their organizations. A common question was what “effective” means, as that is often not easily quantifiable – but a question often asked as programs and concepts are evaluated.

Value is in keeping either Associations or real estate interest “top in mind” and having the Association as a source of information that can be redistributed via social media to others.

Take aways: Discussed mobile devices and importance of checking out your Association and company/agent pages to see what it looks like on mobile; how various social media can promote each other, like linking to your Association YouTube video from your Association e-newsletter; and importance of directing to your Association blog, social media should send people somewhere specific.

Examples – many positive examples:

- LinkedIn – for Association committee work. Perception it’s more of a “business” tool than other sites. Ability to have a secure conversation. Others say that conversations quickly dwindle on the site as people don’t want to post their thoughts.
- Facebook – different philosophies in Associations about keeping private or not. Used for a wide variety of purposes including National, State, local and community updates; posting pictures/videos of Association events (we were warned by NAR General Counsel to be careful about posting pictures/videos without permission, ownership issues and possible lawsuits), sending invitations to Association functions; providing social media resources that can then be redistributed by members to their Facebook friends.
- Podcasts – President’s messages; messages for media; conducting interviews with “thought leaders” over the phone, recording, distributing.
- Twitter – smaller audience, but a more loyal/intense audience with each other. Those who use it find the value in information they receive. Advantage is that you don’t have to make a “friend”.
- Blogs – detail events (like showing Habitat build), write about members and charitable functions – can later be found on Google, obituaries focusing on real estate contribution.
- Ning – comprehensive site for forums, blogs.
- YouTube – member messages; short legal/legislative updates that can then be redistributed to clients and customers.

Concerns with social media included the time that it can take to do it, staff resources, not having internal policies, lack of clarity on the value of using it, increasing risks ranging from violating confidentiality to anti-trust concerns.

Check out the NAR social media guide for Associations here:

www.sminstitute.com/webinardownloads/

TAX CREDIT EXPIRATION/IMPACT ON THE MARKET

It is clear that real estate is a local business. Some of the participants are extremely busy with a multitude of buyers who are hoping to take advantage of the tax credit. Other markets have not seen that urgency.

Between now and the end of the tax credit period:

- Many consumers and REALTORS® need more education on the details of the tax credit legislation. It could be directed to brokers and individual associates.
- It needs to be an “early spring” market. Agents are encouraging sellers to list now and not wait.
- It appears most believe that there will not be an extension of the tax credit---if that is the case, let’s communicate that message to both REALTORS® and consumers.
- It would be beneficial to transition the PR message in the near future---not just the tax credit, also the fundamentals of the market. That includes property values, interest rates, etc.

How will we keep the market moving in a “tax credit-less world”:

- Utilize the message that Lawrence Yun delivered concerning the fundamentals of the market.
- REALTORS® need to develop and be able to effectively communicate the value proposition in the market.
- The expectation of rising interest rates in the third/fourth quarter this year should be effectively communicated to consumers. REALTORS® should be mindful of shaky consumer confidence.
- The natural flow of inventory into the market will dictate the shift of some transactions into a “post tax credit” time period. There is an expectation of rising foreclosures---predominantly transactions that cannot be rushed. In addition, some first time buyers are not finding the right property because of limited inventory in lower price ranges.
- There is an opportunity to send a strong message to buyers who do not qualify for the tax credit and may have been ostracized by the PR push in that direction.
- Some builders and sellers may offer their own “tax credit”, offering \$8,000 in incentives to purchasers.

On a final note, “Where’s the Dream”? We will return to selling the dream of homeownership for all the tremendous value that is provided to both the homeowner and the community.

TOP 3 ISSUES FOR INDIVIDUAL REALTORS® IN 2010

1. Professionalism - Overwhelmingly, the number 1 answer to this was professionalism...with other REALTORS®, loan officers and appraisers. The main concern was other REALTORS®. The number of untrained members who either do not provide feedback, lock doors, turn off lights or even bother to cancel the showing if their clients cannot make it was a big part of each discussion group.
2. Short Sales - The number 2 answer was short sales and the difficulty and time it takes to do these (covered in more detail under the Short Sales roundtable summary).
3. Social Media - The number 3 answer was social media. Facebook, Twitter, blogs and all of the sites/services that are available now. There was concern about the proper way to use these as well as which is the most productive one to use for individual REALTORS® (more information on this in the Social Media/Networking roundtable summary).

TOP 3 PRIORITIES FOR LOCAL, STATE AND NATIONAL ASSOCIATIONS IN 2010

In posing this question to the different tables, we encountered some constants (taxes, Realtor[®] value proposition, legislative efforts, member participation, increased training and developing future leaders) as well as some outliers that could be food for thought. Following is the synopsis, in which all items will be listed and will be sorted into “related” groups (sometimes items will be listed in multiple groups).

1) Taxes

- a. Transfer Taxes
- b. Capital Gains
- c. Mortgage Interest Deduction
- d. Tax on Services
- e. Estate Taxes
- f. Property Taxes - Increase Overrides
- g. RI – Income Tax Issue
- h. Homebuyer Tax Credit
- i. Tax Stamps
- j. New Fees and/or Service Taxes
- k. Increase Income Tax Rates
- l. Dealing with Municipal & State Budget Deficits – which is leading to higher Taxes

2) Communication

- a. Improved Communication “Vehicle” with Members
 - i. Better Communication To & From Members
 - ii. Newsletters
 - iii. Email (that they will read, “more meat, less potatoes”, etc)
 - iv. Use of Social Media (“Better Use of ...”)
 - v. Timely NAR, State, Local updates (“Tidbits for Success”)
- b. Better Communicate about upcoming Board Programs & Education Events
 - i. Benefits of Membership
- c. Communicate Realtor[®] involvement in the “Process” and Educate Members about the Importance
- d. Improve & Increase Communications with the Consumer
 - i. Value of using a Realtor[®]
 - ii. Extension & Expansion of the Homebuyer Tax Credit
 - iii. “Buy Now” – it’s a Great Time to Buy
- e. Communication with the DR’s
- f. Train Local Members as Spokespeople to communicate the Realtor[®] Message
- g. Increase Communications about Legislative Issues
 - i. Importance of RPAC
 - ii. Calls-for-Action
 1. Increasing Participation
 2. Broker Involvement Program
 - iii. Increase Communication with Elected Officials

- iv. Improve Access with Elected Officials
- v. Realtors[®] who have Elected or Appointed Positions – have a Database, Encourage Realtors[®] to “Run for Office” and get Involved in the Political Process, etc

3) Realtor[®] Value Proposition

- a. To the Member
 - i. Better Communicate Value of Realtor[®] Membership
 - ii. Benefits of Volunteering & Participating in the Association
 - iii. Code of Ethics
 - iv. Professionalism – Enhancing and Improving among Membership
 - v. Three Tiered Approach – NAR, State, Local partnership (and the associated benefits of each)
 - vi. Available Programs and Educational Events
 - vii. Importance of Legislative Activities
 - viii. Continued Training
- b. To the Consumer
 - i. Showing Realtors[®] as the “Professional” & “Trusted Source”
 - ii. Increase PR/Public Awareness Campaign about using a Realtor[®]
 - iii. PR to the Consumer “Ahead of the Trends”
 - iv. The Realtors[®] Role in Advocating for and Protecting Private Property Rights, Tax Credit Extension, Protecting Mortgage Interest Deduction, etc.

4) Importance of Government Affairs & Legislative Involvements

- a. See Taxes (#1)
- b. Monitoring Governmental Actions (See Below – Items 4c,d,e,f,g)
- c. Increase Communications about Legislative Issues (Same as #2-Communications)
 - i. Increase Communication with Elected Officials
 - ii. Calls-for-Action
 - 1. Increasing Participation
 - iii. Improve Access with Elected Officials
 - iv. Realtors[®] who have Elected or Appointed Positions – have a Database, Encourage Realtors[®] to “Run for Office”, etc
- d. The Realtors[®] Role in....(Same as #3 - Realtor[®] Value Proposition – to the Consumer)
 - i. Advocating for and Protecting Private Property Rights
 - ii. Tax Credit Extension
 - iii. Protecting Mortgage Interest Deduction
 - iv. Homeowner’s Insurance – Availability & Affordability
 - v. Wetlands & Water Issues
- e. Realtor[®] Advocacy about Financing Issues
 - i. Lack of Funding for Commercial & Multi-Family
 - ii. Increased Loan Limits
 - iii. Appraisal Issues
 - iv. The Fed & Interest Rates
 - v. Getting “Capital Flowing and Liquidity back into the Market”
- f. Realtor[®] Advocacy about Healthcare (Members need Help, Options & Affordability)

- g. Regulatory Changes - Clear Communication about any Regulatory Changes and its' impact on the average Realtor[®] and/or Transaction

5) Association

- a. Leaders need to Lead by Example
 - i. Leaders need to "Make the Ask"
- b. New Leadership – Find, Nurture and Develop
 - i. "Get New Blood Involved"
- c. Young Members – Find, Nurture, Train
 - i. Getting them Involved
- d. Education & Training
 - i. Technology
 - ii. Social Media
 - 1. Code of Ethics – Implications and/or Enforcement
 - iii. Increase Professionalism
 - iv. Provide Tools for Professionalism
 - v. Enforce the Code of Ethics
 - vi. Professionalism – "Raise the Standards"
 - vii. Teach Members how to Communicate Properly
- e. Dues Collection
 - i. Properly Budget – Build & Retain Reserves
 - 1. Financial Stability leads to Stability of Services
 - ii. Payment Plan Options
 - iii. Member Retention
 - 1. Dealing with the Loss of Members and the resulting "Fallout"
 - iv. Member Recruitment
 - v. DR Dues Formula & Compliance
 - vi. Dues - Increase vs. Decrease
 - 1. "Dues are too Damn Low!" and he was adamant
 - 2. Provide Services that Meet/Exceed Expectations
- f. Non-Dues Income – try to increase
- g. Participation
 - i. Engage the Member
 - ii. Increase Participation at State & NAR
 - iii. "Incentives"
 - iv. Networking

Issues mentioned, but not really sure where they fall into the groups above:

- Data Security & Privacy Laws
- Board Mergers
- MLS – Access by non-Realtors[®]
- Liability
 - o Brokers
 - o Buyers
 - o Sellers
 - o Associations (including Volunteers)
- Realtor.org – "Improve the Navigation"
- Lack of Volunteers
- Better Communication from NAR to the Members
- Members want more Value
- New/Improved Membership Database
- Provide the most "up-to-date" Statistics & Market info