



**Greater  
Gateway  
Association of  
REALTORS®, Inc.**

# OUTLOOK

**Remember WALL:**

- W**alk
- A**round
- L**ights off
- L**ock doors

## In This Issue

Court Rules Against Deceased	Page 2
Eye on Washington	Page 3
Tax Deal Compromise	Page 4
Legislative Update	Page 4
SIR/MLS Scoop	Page 5
ACT	Page 5
Member News	Page 6
New Year, New Laws	Page 7

## What's Happening

### January

- 4 Broker Course
- 8 Broker Course
- 11 Affiliates Committee Meeting
- 11 Broker Course
- 12 HUD Training
- 15 Broker Course
- 17 GGAR Office Closed
- 18 Broker Course
- 22 Broker Course
- 25 Broker Course
- 29 Broker Course

## New Year, New Laws

By Julie Sullivan, Assistant Director, Legislative and Political Affairs



### Ban on Private Transfer Fee Covenants

Public Act 96-1345 (SB 3747) declares private transfer fee covenants, which would require future buyers or sellers to pay a private transfer fee to whoever is designated in the covenant on all future transfers, to be invalid and against public policy. The legislation will continue to allow a form of transfer fee covenant currently used in some housing developments to fund the conservation of an environmentally sensitive parcel adjacent to several property owners who pay a fee for its maintenance.

### Foreclosures/Short Sales Now Factor into Assessments

Public Act 96-1083 (SB 3334) requires the Illinois Department of Revenue to include compulsory sales (defined as foreclosed and short sale property) in its sales ratio studies for sales occurring on or after January 1, 2011. Also, information compiled on the transfer declaration will include whether the transfer is pursuant to compulsory sale.

### Title Company Closing Protection

Beginning January 1, title companies will be required to provide buyers and sellers "closing protection" for the acts and omissions of their agents, and they will be permitted to charge for these closing protection letters. There was recently still an ongoing debate as to how the Illinois Department of Financial and Professional Regulation will administer the program. Please log on to [www.IARActionCenter.org](http://www.IARActionCenter.org) for updated information.

### Good Funds Law

House Bill 5677 (P.A. 96-1457) changes Illinois' "good funds" law regarding monies at closings. The new law includes a change that was added to the bill at the suggestion of IAR — a clarification that earnest money held by a real estate broker and brought to the transaction on behalf of a buyer will not have to meet the more stringent requirements (like the wiring of funds) unless the earnest money is \$50,000 or more.

### Mortgage Loan Originator Licensing

An individual acting as a mortgage loan originator who is not employed by and acting for an entity described in the provisions concerning the definition for "registered mortgage loan originator" will be subject to the mortgage loan originator licensing requirements of the Residential Mortgage License Act of 1987. The legislation also makes changes concerning the definition of "exempt person or entity" and provides that proper signage must be included in the good business practices that each full service office must observe.

-- continued on page 7 --

**Officers:**

Chairman of the Board Jenni Beck, e-PRO, GRI, Beck Group Realty, Inc.,  
 Chairman-Elect Joy Wofford, CRS, e-PRO, GRI, RE/MAX Realty Centre  
 Vice Chairman Sandy Michel, Vandalia GMAC Real Estate  
 Past Chairman of the Board Rick Edwards, Century 21 Seniker-Edwards

**SIR/MLS Governors:**

David Cisler 635-2244  
 Norma Kasten, ABR, CRS, e-PRO, GRI 655-1188  
 Ed Kleber 654-5575  
 Rick Lauschke 465-1637

**Directors:**

Marna Asbury, Olin Community Credit Union  
 Kevin Botterbush, Botterbush & Associates  
 Jill Cummings, ABR, CRS, RE/MAX Preferred Partners  
 Dave Erutti, Bev George & Associates, Town & Country  
 Tammie Fleming, Prudential One Realty Centre, Granite City  
 Rosetta Heavner, GRI, Landmark Realty, Bethalto  
 Tammy Owens, CRE, RE/MAX Alliance  
 Linda Wheaton, e-PRO, Landmark Realty

**Committee Chairpersons:**

Affiliates	Michelle Price	632-1111
Awards	Richard Rolfingsmeyer, CRB	655-1188
Budget and Finance	David Lauschke	465-2966
Bylaws	Norma Kasten, ABR, CRS, e-PRO, GRI	655-1188
Comm. Involvement	Debbie Conreux	656-8616
	Pat Walker	655-4100
Education	Bev George, ABR, CRB, CRS, e-PRO, GRI	656-1188
Golf Outing	Justin Huneke	656-0057
	Chris Seniker	372-4535
Grievance	Roger Reeves, ABR, e-PRO, GRI	346-7000
Legislative	Julie Lading, GRI	655-4100
Membership	Jill Cummings, ABR	655-1188
MLS	Doug Hartmann, CPM, CRB, CRS, GRI	344-7900
Nominating	Chris Seniker	372-4535
Prof. Standards	Sharon Jones, ABR, GRI	288-7100
RPAC	TBD	

**GGAR Staff:**

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 Doris Stephens, Director of Administrative Services  
 Lori Eder, e-PRO, Marketing and Communications Manager  
 Jessica Newbold, Governmental Affairs Director  
 Jeanie Leitschuh, Administrative Assistant

**Newsletter Staff:**

Al Suguitan, CAE, e-PRO, GRI, RCE, Publisher  
 Lori Eder, e-PRO, Editor

# IL Supreme Court Rules Against Deceased

By Kim L. Kirn, Attorney and GGAR Mediator



Mortgage foreclosure lawsuits are the talk of the town (at least, they are in the legal-beagle town where I live), and the Illinois Supreme Court recently ruled in favor of property owners in a foreclosure suit where the original owner died.

In three separate cases the same issue arose, namely that the original owner of the property died, and mortgage payments ceased to be made. In these days of mortgage servicing companies, no one with the bank or servicing company knew of the deaths and proceeded with a foreclosure action against the deceased.

As a general rule, a lawsuit may not proceed against someone who is dead. However, the banks wanted to pursue the foreclosure regardless of the death, arguing that a foreclosure is an "in rem" action, meaning that the action is against the property rather than a specific person.

Many times in these situations, the decedent's relatives or beneficiaries do not receive notice of the foreclosure action and are therefore unable to respond or more likely, attempt a modification of the mortgage. The decedent's relatives argued that they should be given notice of the foreclosure with an opportunity to respond.

The Supreme Court admitted that its prior rulings were inconsistent as to whether a foreclosure action was an "in rem" or "quasi in rem" (cases brought against people disputing real property) lawsuit.

The court ruled that foreclosures are "quasi in rem" only and that the personal representative of the decedent must be named in the foreclosure suit. This should allow the personal representative to negotiate a modification of the mortgage.

The names of the cases are ABN-AMRO Mortgage Group, Inc. v McGahan, Charter One Bank v Hunter, and Wells Fargo v McQueen.



## Eye on Washington

Throughout 2010, the National Association of REALTORS® (NAR) made significant progress educating Congress and the Obama Administration that a stable and sustainable housing market is the primary building block for any economic recovery. NAR had a series of successes in the regulatory and legislative fields, some of which are highlighted below.

### **PROTECTING REALTORS®' BUSINESS INTERESTS AND ACTIVITIES**

**Wall Street Reform and Consumer Financial Protection** - On July 21, 2010, President Obama signed into law the Dodd-Frank Wall Street Reform and Consumer Financial Protection Act of 2010. This comprehensive reform of the nation's financial services sector is the most sweeping since the financial reforms ushered in during the Great Depression. NAR worked with both Democrat and Republican members of the House and Senate committees responsible for the legislation to secure a "real estate professional exclusion" ensuring that the daily business of REALTORS® was not negatively impacted by this historic piece of legislation.

**Meetings with Lenders** - Starting in the summer of 2010, NAR's elected leadership initiated a series of meetings with large lenders and servicers to discuss issues of concern for REALTORS®. The topics included origination issues (underwriting standards, appraisal issues, credit policy, condo financing); short sales; bank-owned properties; and the impact of the Dodd-Frank Wall Street Reform and Consumer Financial Protection Act. NAR and the banks are discussing how we can work together to make significant improvements in all of these areas. The goal is to increase our mutual success and help support market recovery.

**Health Insurance Reform** - NAR successfully raised the profile of the challenges that face the self-employed and small employers, including REALTORS®, throughout the 111th Congress' debate over health care reform. As a result, the underwriting and rating reforms in the final bill - guaranteed issue policies, ban on pre-existing condition exclusions, limited age rating, etc. - are in line with NAR's policy principles and will give the self-employed access to insurance with most of the characteristics of a group plan. In addition, individual affordability credits and tax credits for small employers will help to make health insurance more affordable for many NAR members who are currently uninsured.

### **SUSTAINING HOUSING OPPORTUNITIES**

**First-Time Homebuyer Tax Credit** - In November 2009, the \$8,000 credit was again extended for purchasers through April 30, 2010. Those under contract by April 30 retained eligibility for the credit, so long as the transaction closed before July 1, 2010. An additional \$6,500 credit was created for current homeowners purchasing a new or existing home between November 7, 2009 and April 30, 2010. These buyers were also subjected to the July 1, 2010 settlement requirement. In June 2010, NAR noticed that many purchasers who had signed contracts on or before April 30 were unable to close their transactions, particularly in short sales. At NAR's urging, Congress extended the closing date requirement through September 30, 2010.

**Protecting the Mortgage Interest Deduction** - The Administration's proposed budgets for Fiscal Years 2010 and 2011 included a recommendation that health insurance reform be "paid for" by limiting the value of the mortgage interest deduction (MID) and other itemized deductions for upper income taxpayers. The limitation proposal was based on an individual's tax bracket. Itemized deductions for individuals in tax brackets above 28 percent would not have received the value of their higher tax brackets. Rather, the "value" of itemized deductions would have been limited to 28 cents on the dollar, rather than the 33 cents or 35 cents to which they would have otherwise been entitled. NAR aggressively and successfully fought off changes to the MID through grassroots, advertising, and similar advocacy tools.

**FHA and GSE Loan Limits** - NAR successfully advocated for legislation to once again extend the temporary higher loan limits for FHA and the GSEs in both 2009 and 2010. Had the limits expired, NAR estimates that more than 612 counties in 40 states and the District of Columbia would be negatively impacted, with an average decline in loan limits of more than \$50,000. The current limits (at the greater of \$271,050 [for FHA] and \$417,000 [for the GSEs] or 125 percent of local area median up to \$729,750) are now in place through September 30, 2011.

## Tax Deal a Necessary Compromise

By Congressman John Shimkus

With the possibility of the largest tax increase in American history looming, Republican Congressional leaders and the Obama Administration struck a deal in early December to keep the current tax rates in place, proving compromise is still possible in Washington, D.C. Despite loud protests from both the left and the right, Congress passed legislation affirming the agreement, 81-19 in the Senate and 277-148 in the House of Representatives.

This bipartisan deal keeps income taxes stable for two more years, maintains important tax credits for parents and low-income families, creates a new payroll tax cut for working Americans, reforms the death tax, and extends unemployment benefits until we can turn the

economy around.

Without Congressional and White House action, taxes on working families were to go up \$3.9 trillion on January 1, 2011, according to the nonpartisan Tax Foundation. An average family in Illinois would see their taxes rise \$1,640 per year. That is why I supported this legislation.

Critics of the compromise pointed to the mounting federal budget deficit as one reason for their opposition. However, the best way to increase revenue to the federal government is not by taxing more; it is by increasing the tax base. Increasing the tax base is done by putting more people to work. Employers - particularly small businesses - have been reticent to expand their operations and hire new employees with the uncertainty

they have faced knowing that the current tax rates put into place under former President George W. Bush were set to expire at the end of 2010.

Everyone can agree that increasing the workforce provides a boost for the economy, as there is more money to spend on groceries, food, cars, houses, and so on, while there are fewer people draining government revenue through unemployment benefits, food stamps, and the like.

It is hoped that in two years when we next face the question of what to do with the tax rates, it will be done in a much stronger economic environment.



## LEGISLATIVE UPDATE

By Congressman Jerry Costello



Many of you are probably aware of the work being done by the bipartisan National Commission on Fiscal Responsibility and Reform, which was established by the president to address the serious fiscal challenges facing our nation. Recently, the commission proposed a comprehensive plan that seeks to cut trillions of dollars in deficit spending.

The suggested plan includes a proposal to modify the mortgage interest deduction, limiting the deduction to principal residences only and capping eligible mortgages at \$500,000 instead of the current \$1 million cap. The commission also proposed a 12 percent nonrefundable mortgage-interest tax credit for all taxpayers.

In response to the commission's recommended changes, the National Association of REALTORS® (NAR) issued a statement reiterating its position that the mortgage-interest deduction is critical to the housing market and the economy. According to NAR, any changes to this deduction for homeowners could drag prices and values down as much as 15 percent.

It remains unclear if Congress will ever consider these proposals. However, as the federal budget is debated in the 112th Congress, I want to emphasize that I will continue to keep the concerns of our nation's REALTORS® in mind and work with my colleagues to restore and maintain a healthy housing market.

# SIR/MLS SCOOP

Every Wednesday, SIR/MLS sends the MLSSiren via e-mail to all of you. We try to keep it to two articles per week in addition to the training schedule and a short tip of the week. You can also see the list of SIR/MLS Governors and Presidents. I hope you will take a few minutes each week to read this important information!

MLSSiren covers the following topics:

- \* Anything that is new in the MLS
- \* How to upload and arrange photos
- \* SIR/MLS technology preferred vendors
- \* How is the market?
- \* Absorption rates
- \* Prospecting
- \* VOW explanations
- \* Approved short sale verbiage
- \* IDX and websites
- \* Statistics
- \* List Hub Syndication



We also offer a "SIR/MLS, Inc. members only" website. The website is [www.sirmlsaccess.com](http://www.sirmlsaccess.com). To log in the first time, type in your user ID that you use on the MLS and then type "changeme" for the password. Once you go into the website, you will be asked to create a new password.

On this website, there is a world of really great information including preferred vendors, rules and regulations, instruction videos, and training information.

Don't forget, we have training every month at the MLS office in Collinsville. It is hands-on (we have the computers) and free of charge. All we ask is that you call (618-343-3030) or e-mail the MLS office ([debi.peel@sirmlsinc.com](mailto:debi.peel@sirmlsinc.com)) to reserve a seat.



Our next Affiliates Committee meeting will be held on Tuesday, January 11 at 8:30 a.m. at the association office. Any affiliate member may join the Affiliates Committee. If you are interested in serving on this committee, please contact GGAR at 618-692-8300.

We enjoyed the Christmas Charity Celebration that was held on December 7 at the Meridian Ballroom at Southern Illinois University Edwardsville. It was wonderful to see the generosity of so many people during the holiday season!

Please consider joining the affiliates committee. We meet on the second Tuesday of each month, so if you haven't attended a meeting lately, why not come and join us again, or if you've never been to a meeting, why not consider joining us - we would love to have you in attendance. Our next Affiliates Committee meeting will be held on Tuesday, January 11.

The Affiliates Committee is composed of lenders, appraisers, housing inspectors, home improvement companies, title companies, community and government offices, local newspapers, and construction services. Our goal is to enhance vendor relationships with REALTORS®.

Michelle Price, Wells Fargo Home Mortgage, Chairman  
Michelle Blom, Community Title & Escrow, Vice Chairman  
Maureen Donaho, Chicago Title Insurance Company, Secretary  
Marna Asbury, Scott Credit Union, Board Representative

# Member News

The Board of Directors will act on new applicants subject to completion of the required New Member Orientation class and notice to members. If any member knows of any reason why these applications should not be accepted, please write a letter to Chairman of the Board Jenni Beck, 10 Ginger Creek Parkway, Glen Carbon, Illinois 62034.

## New REALTOR® Members:

Jennifer Chatham, Bev George & Associates, Town & Country  
Leslie Crook, Coldwell Banker Brown REALTORS®, Troy

## Transfers:

Amy Cadagin, RE/MAX Realty Centre  
Karen Davis, Coldwell Banker Brown REALTORS®, Edwardsville  
Amber Hernandez, RE/MAX Integrity Realty Group  
Karla Horrell, RE/MAX Alliance  
Jo Ann Mathenia, Prudential One Realty Centre, Granite City  
Julie Mayfield, Bev George & Associates, Town & Country  
Paul Scheurer, Landmark Realty, Godfrey  
Andrea Wetzel, Landmark Realty, Edwardsville

## Drops:

Randy Burns, Twitchell Real Estate, Inc.  
Doug Carey, Landmark Realty, Bethalto  
Donna Dempsey, Coldwell Banker Brown REALTORS®, Edwardsville  
James Dodd, Barbier Agency  
Stephanie Foreman, RE/MAX Realty Centre  
Joanna Helm, Vandalia GMAC Real Estate  
Melinda Kershaw, Prudential One Realty Centre, Edwardsville  
Damon Lucas, Coldwell Banker Nester, Glen Carbon  
Teri Mack, RE/MAX River Bend  
April Marburger, RE/MAX River Bend  
Terry McKinzie, RE/MAX River Bend  
Miriam Proud, Prudential One Realty Centre, Edwardsville  
Vince Ricchezza, RE/MAX Integrity Realty Group  
Terrill Smith, GLS Properties  
Mae Thompson, Prudential One Realty Centre, Edwardsville  
Terry Thompson, Coldwell Banker Brown REALTORS®, Edwardsville  
Laura Vespa, Assist-2-Sell, Buyers & Sellers #1 Real Estate  
Shannon Wyatt, Region Realty

## Dropped REALTOR® Offices:

MJ Appraisals  
Region Realty

## New Affiliate Office:

Regions Mortgage, Glen Carbon

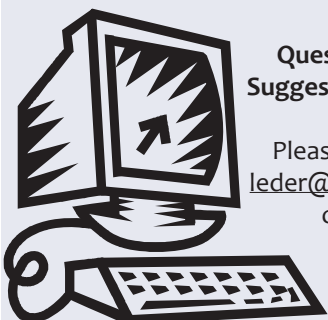




**Mission Statement**  
 The Greater Gateway Association of REALTORS® is dedicated to promoting and maintaining high standards of conduct and ethics in the real estate profession.

## We're on the Web!

[www.gatewayrealtors.com](http://www.gatewayrealtors.com)



Questions? Comments?  
 Suggestions? E-mail change?

Please contact Lori Eder:  
[leder@gatewayrealtors.com](mailto:leder@gatewayrealtors.com)  
 or 618-692-8300

## New Year, New Laws (cont.)

By Julie Sullivan, Assistant Director, Legislative and Political Affairs

### Solar Energy System Ban Restricted

Certain homeowners, property owners, or condominium unit owner associations will be prohibited from adopting bylaws, deed restrictions, or covenants that would ban the installation and use of a solar energy system. These associations must adopt an energy policy statement regarding the location, design, and architectural requirements of solar energy systems within 120 days after they receive a request for a policy statement or an application from an association member. **IMPORTANT NOTE:** The new law does NOT apply to any building greater than 30 feet in height.

### Lead Safety in Renovating/Remodeling

If you as a REALTOR® do any renovation, repair, and painting work in properties that you manage, you will need to be trained and certified in the new lead-paint safe work practices. If you hire an outside contractor, that contractor must also be trained and certified. Mandatory training and certification on lead-based paint work practices will be required for renovation, repair, and painting activities in single and multi-family housing built before 1978, child care facilities, and schools. In addition, a new U.S. EPA pamphlet, "The Lead-Safe Certified Guide to Renovate Right" must be given to homeowners or tenants before work begins. **NOTE:** Any property owner conducting their own renovation, repair, or painting activities is exempt.



GGAR Snapshot	
As of December 16, 2010	
Affiliate Offices/Members	101
Full Member Appraiser Offices	85
Full Member REALTOR® Offices	143
<b>TOTAL FULL MEMBER OFFICES</b>	<b>228</b>
Full Member Appraiser Members	92
Full Member REALTOR® Members	907
<b>TOTAL FULL MEMBERS</b>	<b>999</b>
<b>Total GGAR Offices</b>	<b>329</b>
<b>Total GGAR Members</b>	<b>1,100</b>

For information on any of the new laws, visit [IARActionCenter.org](http://IARActionCenter.org).