

REGION 6 DIRECTOR REPORTS



CALIFORNIA
ASSOCIATION
OF REALTORS®



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Taxation and Government Finance	Mike Fracisco
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Region 6 Regional Representative Committee Report

Name

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Association

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Committee

Business Technology Forum

Meeting Day/Time

Sept 25 at 3:30 pm

Action Items**Discussion Items**

Emerging Technologies

AI- There has been an explosion on AI lately, slowly improving in the last 10 years, now it is the new battleground in Silicon Valley with Apple leading in big tech in AI acquisitions.

Now Apple's intelligence offers similar tools as Chat GPT will be directly on your phone (Attachment 1)

It can organize your calendar, your inbox, does auto transcriptions on phone calls, creates notes for you and summarizes larger emails.

In 2025 AI will handle entire listing creations, including setting the price, manage contract creation, completion and auditing, negotiate sales on buyers and seller's behalf, help you communicate better with your clients.

You might even negotiate with a robot in the future...

Block Chain

Despite all the lawsuits and all the crashes, there is still a strong market on those assets.

Prediction on Bitcoin: those folks that invest in this, might want to diversity. Suggestion: Real Estate Agents should familiarize yourself with Bitcoin so we can advise clients on how to move in this segment of the industry.

Unlock Business Value with AI, Safely - PURLIN

It is your own AI that starts the conversation, guides the process and promotes your brand.

Agents were the fastest group using Chat GPT. It does Seller pitches, listing remarks, advertising copies, It is powerful, it is fast, its magical.AI also throws Hallucinations, Biases and Defiance. If done right it would

be amazing, but it needs to be tamed. It needs Fairness, Effective and ROI.

AI generated consumer interaction. The practitioner is accountable for the infraction. AI unchecked can be problematic, but if done correctly AI can help us.

Must be Effective: It must be simple, must amplify and transcend. When we say “amplify” is like taking a picture of the view of your listing. AI can search for the nearest listings and compare their view with mine. This information allows me to speak with my client about pricing and strategy to position my listing with correct information.

AI Assistant offers client nurturing, which assists me in listing creation, allows me to make sure everything is in compliance in the transaction, the contract is filled completely, can also give updates to my clients and all the parties involved.

Reimagining Real Estate lead generation with AI - Kevin AI

Let AI agents work for you 23/7, all day every day

- Seamlessly uncovering prospects
- Launching personal outreach
- Keeping your real estate pipeline full

How Is the AI Agent different from Chat GPT?

Autonomously make decisions

Call tools e.g. send emails, search web, runs queries

Collaborate with other AI Agents and /or users

Learn, reflect and improve.

They use AI Agents to uncover prospects by using

- Chief research Agent
- Research Agent
- Property Research Agent
- Research Planner Agent

They use property/owner details, they uncover selling potential and they research priorities

Then they send personalized emails, personalized text messages and run digital ads on social media with

better demographic/GEO targeting.

In the example provided of an email to a client, in the research it showed property owner traveled frequently to CA and had an art collection, he lived alone in the property and the property was a 5 bedroom home, The email had too much private information and made several agents uncomfortable of the extent of private info shown (Attachment 2)

Upload Attachments

Business Technology Report.docx

Date Completed

9/30/2024

Business Technology

Wednesday, Sep 25

3:30 - 4:30 pm

Emerging Technologies

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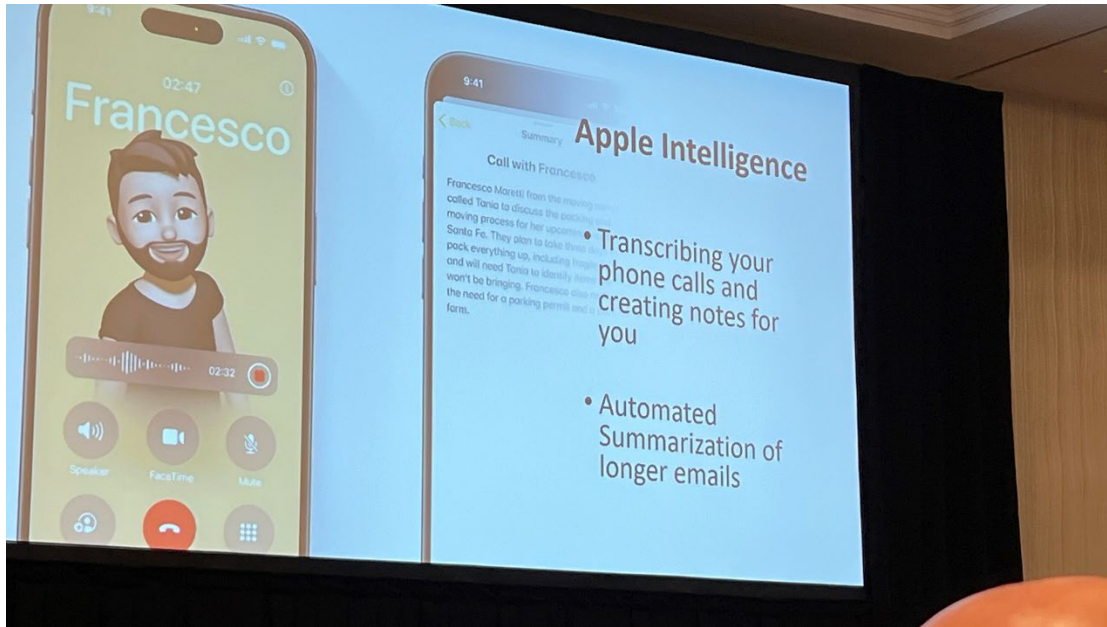
They use AI Agents to uncover prospects by using

- Chief research Agent
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- Property Research Agent
- Research Planner Agent

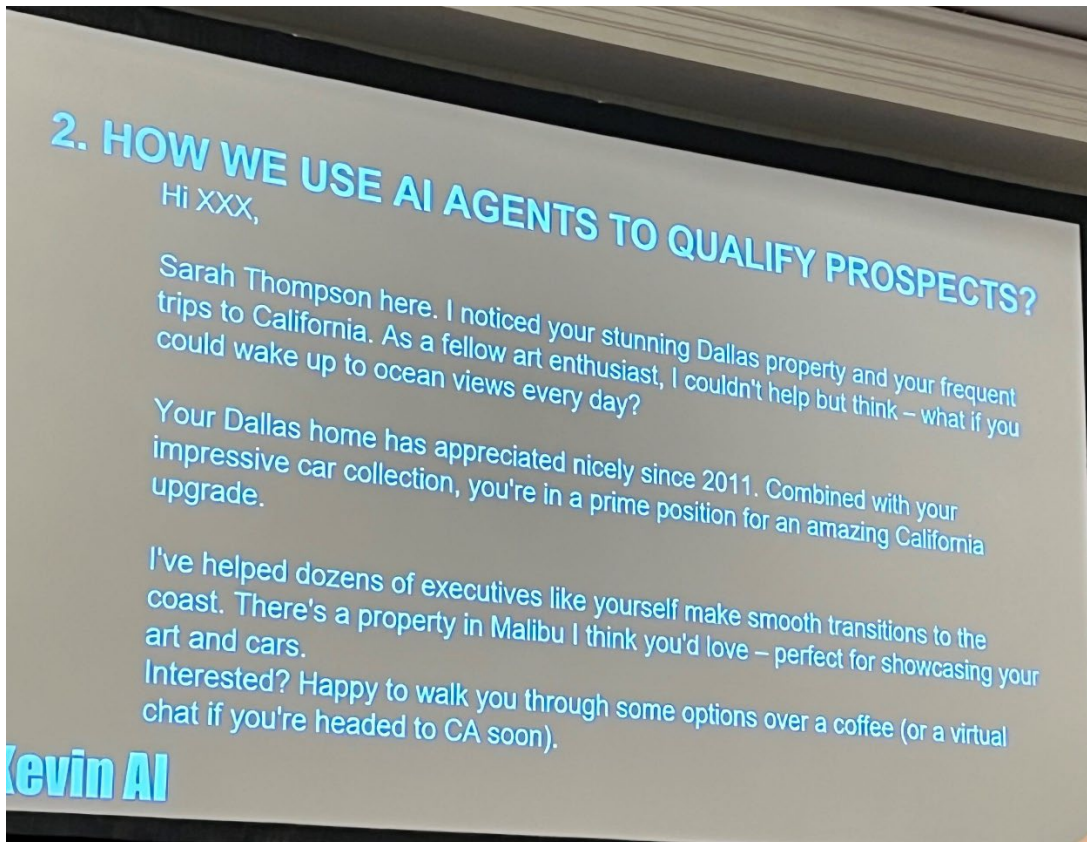
They use property/owner details, they uncover selling potential and they research priorities
Then they send personalized emails, personalized text messages and run digital ads on social media with better demographic/GEO targeting.

In the example provided of an email to a client, in the research it showed property owner traveled frequently to CA and had an art collection, he lived alone in the property and the property was a 5 bedroom home, The email had too much private information and made several agents uncomfortable of the extent of private info shown (Attachment 2)

ATTACHMENT #1



ATTACHMENT #2



Region 6 Regional Representative Committee Report

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Committee

Fair Housing Policy

Meeting Day/Time

Tuesday, September 24, 10:00 am

Action Items

Fair Housing Policy approved adding the word "reparations" to the Mission Statement. This was approved at SPF and reported to the Board of Directors. The new mission statement reads as follows:

The Fair Housing Policy Committee will evaluate current and proposed government policy that will address fair housing, discrimination in housing, reparations, and homeownership rate gaps, including but not limited to zoning, federal subsidies, affordable and market rate housing, and rental housing and make recommendations to the Legislative Committee and the Federal Committee, or to the Board of Directors. The Committee will also explore ways to strengthen relationships with organizations that support fair housing, increasing housing supply, and affordable homeownership opportunities.

Discussion Items

SB 108 (Budget Act of 2024): Allocates \$12 million for reparation legislation.

Position: Watch

Status as of 9/24: Signed by the Governor on 6/29/24.

AB 2016 (Small Estates): Increases the estate value for simplified probate from \$184,500 to \$750,000 starting April 2025.

Position: Support

Status as of 9/24: Pending on the Governor's desk.

Status as of 10/3: Signed into law.

AB 2930 (Automated Decision Tools): Initially aimed at regulating decision tools across sectors, including housing, but housing was removed.

Position: Watch

Status as of 9/24: Died on the Senate floor.

SB 893 (AI Research Hub): Proposed to establish an AI research hub in California, but the bill stalled.

Position: Watch

Status as of 9/24: Died in the Assembly Appropriations Committee.

SB 896 (AI Accountability Act): Requires transparency and reports on the state's use of generative AI in communications with Californians.

Position: Watch

Status as of 9/24: Pending on the Governor's desk.

Status as of 10/3: Signed into law.

AB 3089 (Chattel Slavery Apology): Proposes a formal state apology for the harms of slavery.

Position: Support
Status as of 9/24: Pending on the Governor's desk.
Status as of 10/3: Signed into law.

SB 1050 (Racially Motivated Eminent Domain): Aims to compensate individuals whose properties were taken due to racial discrimination.

Position: Support
Status as of 9/24: Pending on the Governor's desk.
Status as of 10/3: Signed into law.

SB 1403 (Freedmen Affairs Agency): Proposed establishing an agency to implement reparations policies but did not pass.

Position: Support
Status as of 9/24: Died on the Assembly floor.

SB 1007 (Homeowner Assistance for Descendants of Enslaved Persons Program): Proposed grants for housing-related assistance to descendants of enslaved persons.

Position: Support
Status as of 9/24: Died in the Senate Appropriations Committee.

SB 1013 (Property Tax Assistance for Descendants of Enslaved Persons): Proposed tax relief for descendants of enslaved persons.

Position: Support
Status as of 9/24: Died in the Senate Appropriations Committee.

SB 1331 (Fund for Reparations and Reparative Justice): Proposed creating a fund for reparations, but the bill did not move forward.

Position: Watch
Status as of 9/24: Died on the Assembly floor.

AB 1950 (Chavez Ravine Compensation Task Force): Establishes a task force to recommend compensation for displaced residents of Chavez Ravine.

Position: Favor
Status as of 9/24: Pending on the Governor's desk.
Status as of 10/3: Signed into law.

H.R. 4439 (Fair and Equal Housing Act of 2023): Sought to expand the Fair Housing Act to include protections for sex, sexual orientation, and gender identity.

Position: Support
Status as of 9/24: Died in the House Judiciary Committee.

Upload Attachments

Fall 2024 Fair Housing Policy Committee Agenda (1).pdf

Date Completed

10/3/2024

AGENDA



Fall 2024

FAIR HOUSING POLICY COMMITTEE

Long Beach, CA

Tuesday, September 24

10:00 a.m. to 12:00 p.m.

MISSION STATEMENT

The Fair Housing Policy Committee will evaluate current and proposed government policy that will address fair housing, discrimination in housing, and homeownership rate gaps, including but not limited to zoning, federal subsidies, affordable and market rate housing, and rental housing and make recommendations to the Legislative Committee and the Federal Committee, or to the Board of Directors. The Committee will also explore ways to strengthen relationships with organizations that support fair housing, increasing housing supply, and affordable homeownership opportunities.

PRESIDING

John Wong, Chair

Cindy Diaz-Telly, Vice Chair

Zina Hall, Vice Chair

COMMITTEE LIAISON

Barbara Betts

STAFF

Vanessa Chavez, Legislative Advocate

Sara Sutachan, Senior Vice President and Chief Strategy Officer

DeAnthony Nelson, Strategic Partnerships and DEI Program Manager

I. OPENING REMARKS - John Wong, Chair

A. UPDATE: C.A.R. REPARATIONS TASK FORCE

1. SB 108 (Budget) Budget Act of 2024 - This bill sets aside \$12 million to fund reparation legislation enacted into law.

Position: Watch

Status: Signed by the Governor on June 29, 2024

II. UPDATES AND REPORTS

A. STATE UPDATES AND REPORTS

1. AB 2016 (Maienschein) Small Estates - Existing law allows for the disposition of an estate without undergoing the full probate administration for estates valued up to \$184,500. This measure seeks to increase the threshold to \$750,000 beginning April 1, 2025 and thereafter requires the Judicial Council to review the estate limits to determine the amount of adjustment to the small estate exemption threshold. C.A.R. supports this measure as it provides an alternative to low- and middle-income families who inherit

assets that allow them to take advantage of the expedited probate process and preserve generational wealth.

Position: Support

Status: Pending on the Governor's Desk

2. AB 2930 (Bauer-Kahan) Automated Decision Tools - This bill sought to regulate the development and deployment of automated decision tools among a wide range of industry sectors in an attempt to ensure that these tools do not contribute to algorithmic discrimination. As introduced, impacted sectors would have included employment, healthcare, education, and housing. This version of AB 2930 was overly broad and unduly burdensome, especially with respect to housing, and would have likely resulted in significant costs and increased liability. Due to strong opposition by groups, including the California Bankers Association, the California Credit Union League, the California Chamber of Commerce, and the California Apartment Association, significant amendments narrowed the bill to only apply to automated decision tools used by employers. Due to housing being completely removed from the bill, C.A.R. is neutral on AB 2930.

Position: Watch

Status: Died on the Senate Floor

3. SB 893 (Padilla) California Artificial Intelligence Research Hub - This bill sought to establish the "California Artificial Intelligence Research Hub" within the Government Operation Agency, which would have been tasked with serving as a centralized entity that would have collaborated with government agencies, academic institutions, and private sector partners to advance artificial intelligence research and development. C.A.R. monitored this legislation as one of its key functions would have been to assess the trustworthiness of AI technology and its impact on transparency, fairness, and accountability. This measure stalled in the Assembly Appropriations Committee.

Position: Watch

Status: Died in the Assembly Appropriations Committee

4. SB 896 (Dodd) Artificial Intelligence Accountability Act - This measure establishes the Generative Artificial Intelligence Accountability Act (Act), which will require, among other provisions, the Department of Technology, under the guidance of the Government Operations Agency, the Office of Data and Innovation, and the Department of Human Resources to update the report to the Governor, as required by Executive Order No. N-12-23, which was an executive order that was issued "to study the development, use, and risks of AI technology throughout the state and to develop a deliberate and responsible process for evaluation and deployment of AI within state government." This bill would codify some provisions of Executive Order N-12-23 and would additionally require that the state disclose its use of GenAI when communicating with Californians about government benefits and services. Finally, this bill would instruct various agencies and departments to explore safety concerns and would create a disclosure requirement for Government's use of GenAI to communicate with Californians.

Position: Watch

Status: Pending on the Governor's Desk

5. AB 3089 (Jones-Sawyer) Chattel Slavery: Formal Apology - This measure seeks to require the State of California to recognize and accept its responsibility for the harms

committed by the state against African Slaves and their Descendants. Further, it will require that a formal apology be issued by the State of California and be memorialized at the state Capitol.

Position: Support

Status: Pending on the Governor's Desk

6. SB 1050 (Bradford) California American Freedmen Affairs Agency: Racially Motivated Eminent Domain - This measure seeks to require the California American Freedman Affairs Agency to create and update a database of people who have had real property taken from them by the state without just compensation as a result of racially motivated eminent domain. Further, the measure allows the agency to award compensation to persons identified in the database that had property taken from them by the state as a result of racially motivated eminent domain.

Position: Support

Status: Pending on the Governor's Desk

7. SB 1403 (Bradford) California American Freedmen Affairs Agency - In 2020, AB 3121 (Weber) established an eight-member state Task Force to study and develop proposals for reparations for African American descendants of slaves. Since then, the State Task Force released its final report in July 2023, which outlined a variety of policies that the state may consider to help remedy the negative impacts caused by slavery and discriminatory policies enacted by federal, state, and local jurisdictions. SB 1403 sought to establish the California American Freedmen Affairs Agency, which in part would have served to implement policies outlined by the State Task Force. Under SB 1403, the newly established agency would have created several departments tasked with implementing the recommendations of the State Task Force, including: 1) a Genealogy Office that would have provided claimants with assistance on their eligibility for reparation claims; and 2) an Office of Legal Affairs that would have served to provide legal advice to the public and to the agency.

Position: Support

Status: Died on the Assembly Floor

8. SB 1007 (Bradford) Housing: Homeowner Assistance: Homeowner's Assistance for Descendants of Enslaved Persons Program - This measure sought to provide grants for a down payment on real property to be used as a principal residence, to subsidize mortgage payments, and for homeowner's insurance to descendants of enslaved persons.

Position: Support

Status: Died in the Senate Appropriations Committee

9. SB 1013 (Bradford) Taxation: Property Tax Assistance for Descendants of Enslaved Persons - This measure sought to provide financial assistance for property tax relief to persons who are descendants of a person who was enslaved in the United States.

Position: Support

Status: Died in the Senate Appropriations Committee

10. SB 1331 (Bradford) The Fund for Reparations and Reparative Justice - This measure would have created a fund in the State Treasury for the purpose of funding policies approved by the Legislature and the Governor that address the harm that the State of California has caused to descendants of an African American chattel enslaved person or descendants of a free Black person living in the United States prior to the end of the 19th century.

Position: Watch

Status: Died on the Assembly Floor

11. AB 1950 (Wendy Carrillo) Task Force: Former Chavez Ravine Property: Eminent Domain: Compensation - This measure establishes a task force to make recommendations for compensation of displaced residents, business owners, landowners, and their descendants from the Chavez Ravine area in Los Angeles between 1950 and 1961 and requires the City of Los Angeles to construct a memorial.

Position: Favor

Status: Pending on the Governor's Desk

B. FEDERAL UPDATES AND REPORTS

1. H.R. 4439 (Schneider) - The "Fair and Equal Housing Act of 2023," introduced by Representative Bradley Schneider (IL), sought to expand the protections of the Fair Housing Act to include discrimination based on sex, sexual orientation, and gender identity. The bill aimed to address gaps in existing federal legislation by explicitly prohibiting housing discrimination against individuals on these grounds. Specifically, the Act would have amended the Fair Housing Act to redefine protected categories to encompass sex, sexual orientation, and gender identity, ensuring that individuals cannot be denied housing opportunities or be subjected to discriminatory practices based on these characteristics.

Additionally, the bill would have extended protections against intimidation in fair housing cases to include sexual orientation and gender identity, further safeguarding individuals from harassment and retaliation based on these factors. Overall, the Fair and Equal Housing Act aimed to promote fairness, equality, and inclusivity in the housing market by prohibiting discrimination based on sex, sexual orientation, and gender identity.

Position: Support

Status: Died in the House Judiciary Committee

III. QUESTIONS

IV. OTHER BUSINESS

V. ADJOURNMENT

Region 6 Regional Representative Committee Report

Name

Craig Ragg

NRDS #

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Association

Bay East

Email

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Committee

Federal

Meeting Day/Time

9/25/2024 / 3:00pm

Action Items

Motion from Taxation & Finance-- That C.A.R. in conjunction with NAR "Support" maintaining the current tax exemption benefits of interest paid to investors of municipal bonds. Motion carried unanimous

Discussion Items

See attached report.

Upload Attachments

C.A.R. Federal Committee report Long Beach 2024.docx

Date Completed

10/2/2024

Report from C.A.R. Federal Committee meeting Sept. 25, 2024

Report from Chris Christenson the NAR Director of Technology Policy on NAR actions on AI.

NAR Committee Reports:

A) Federal Taxation has two working groups. 1) Possible tax incentives for 1st time homebuyers for down payments.

a) Possible 1st time buyer savings accounts with some tax incentives. b) Greater withdrawal from retirement accounts both tax and penalty free. c) Withdrawals from other accounts such as 529 education accounts.

2) Aging in place discussion and possible tax incentives to help move.

B) State & Local Issues stated that the Governors Association AE spoke to them and that all 50 states report that lack of housing is the number 1 issue.

C) Housing Opportunities

Spoke about the Pathways to Homeownership and gave the website

www.nar.realtor/pathways-to-homeownership

D) Fair Housing Policy

Discussion about Foreign buyer restrictions and 9 states already have on the books. Mostly foreign buyers purchasing large parcels of land near military facilities which might become a security risk. Also the issue raises fair housing issues so very complex issue.

E) Land Use, Property Rights and Environmental Issues

Topics mainly wildfires, water policy and restrictions on foreign buyers.

F) Public Policy Coordinating Committee

Set up a work group with members from all of the policy committees to discuss impact the settlement changes will make on industry practices going forward.

Two major bills we are supporting

HR5419 (Walberg) is the Direct Seller & Real Estate Agent harmonization Act

HR 1321 (Panetta) More Homes on the Market Act

This bill increases the tax exclusion of gain from the sale of a principal residence and requires an annual inflation adjustment to such increased amount.

NAR is asking all House members to join the Bipartisan Real Estate Caucus recently formed by two Republican and two Democrat House members.

G) Conventional Financing has two working groups 1) Financing for ADU'S 2) Equity Financing

Region 6 Regional Representative Committee Report

Name

Edward Gomes

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Committee

Standard Forms Advisory Committee Forum on Forms

Meeting Day/Time

9-25-2024 8:00am

Action Items

None

Discussion Items

December 2024 Forms Release> Refer to attachment entitled "Talking Points" that describes December 2024 New and Revised forms changes! Also for all current and future forms releases they can be found on the CAR site>>>

<https://www.car.org/transactions/standard-forms/new-forms-and-revisions>

Upload Attachments

Talking Points fall 2024.pdf

Forum on Forms Agenda 9-25-2024.pdf

Date Completed

9/28/2024

AGENDA



SFAC: FORUM ON FORMS

Wednesday, September 25th, 2024. 8 – 10am

Location TBD

**PRESIDING: SHARON BOWLER, CHAIR
NIKKI COPPA, VICE-CHAIR
DAN HERSHKOWITZ, VICE-CHAIR
CAMERON PLATT, LIAISON**

I. Opening Remarks	Sharon Bowler
II. Proposed New Forms	Dan Hershkowitz
III. Revised Existing Forms	Nikki Coppa
IV. Comments, Questions, Suggestions	Sharon Bowler
V. Reminder to Regional Reps for September 26 th	Sharon Bowler
VI. Announcement of 2025 SFAC Chairs	Sharon Bowler
VII. Adjourn	Sharon Bowler

C.A.R. Mission Statement

The purpose of the CALIFORNIA ASSOCIATION OF REALTORS® is to serve its membership in developing and promoting programs and services that will enhance the members' freedom and ability to conduct their individual businesses successfully with integrity and competency, and through collective action, to promote real property ownership and the preservation of real property rights.

Standard Forms Advisory Committee, Forum On Forms

Sharon Bowler, Chair

Nikki Coppa, Vice-Chair

Dan Hershkowitz, Vice-Chair

Cameron Platt, Liaison

Summary of December 2024 New and Revised Forms' Changes:

New Forms:

Buyer Confirmation of (Broker) Compensation (BCC) –

If a seller agrees to pay the buyer's broker, the seller is entitled to proof that the buyer has agreed to pay the broker the amount specified in C.A.R. Form SPBB or, if approved for December release, the revised RPA. The buyer can provide proof by providing the last page of C.A.R. Form BRBC, or the PSRA, or a separate confirmation. This form provides evidence of the buyer's agreement to pay. Reference to an attached compensation schedule now states Broker attached compensation schedule.

Cancellation of Agency Confirmation; Amendment to Purchase Agreement (CAC) –

This form is intended for use if a buyer's broker withdraws from a transaction because the buyer lacks ability to pay the broker's

compensation, and the seller does not agree to pay buyer's broker. This form may also be used when either a buyer's broker or a seller's broker moves from one brokerage company to another during a transaction, with the consent of both brokers, and the old brokerage needs to be removed from agency and the new broker inserted.

Estimated Compensation Costs for Buyer (ECC-B) –

A buyer's broker would use this form to help a buyer understand how much the buyer would have to bring into a transaction depending on whether the seller agrees to pay the buyer's broker, and if so, how much. Alternate purchase price scenarios are provided to give buyers a better understanding of what might happen during the purchase negotiation. The form can be used when entering a buyer representation agreement or when drafting an offer.

Estimated Compensation Costs for Seller (ECC-S) –

A seller's broker would use this form to help a seller understand how the seller's net proceeds may be impacted depending on whether the seller agrees to pay or not pay a buyer's broker, and if so, how much. Alternate purchase price scenarios are provided to give sellers a better understanding of what might happen during the purchase negotiation. The form can be used when entering a listing agreement or when preparing a counter offer.

Transfer of Buyer Representation Agreement (TOBR) –

If a salesperson or broker-associate who obtained the signature of a buyer on a buyer representation agreement leaves one brokerage company for another, the obligation to represent the buyer remains with the old brokerage company, unless all parties agree otherwise. This form transfers the buyer representation and agency relationship from old brokerage to new brokerage. It is to be signed by the buyer, an office manager or broker of both brokerage companies, and the agent who is moving offices.

Revised Transactional Forms

Disclosure Regarding Real Estate Agency Relationship (AD) –

AB 2992, which mandates buyer broker agreements for all real property sales, made changes to the Agency Disclosure laws, including defining a buyer-broker representation agreement, and requiring delivery of the AD form before execution of a buyer-broker agreement. Language changes were needed on both page 1 and page 2 of the AD form.

Buyer Counter Offer (BCO) –

Language added to allow for mutual agreement to extend the expiration date beyond that specified.

Buyer Financial and Personal Information (BFPI) –

Language modified in paragraph 6 to make clearer that buyer's broker should not reveal any information on the form without buyer's consent.

Buyer Representation and Broker Compensation Agreement (BRBC) –

Removed from 2G(2) the option that a loan product does not allow a buyer to pay the broker's compensation. Change title of paragraph in grid to make clearer that buyer lacks the ability to pay without help. Reference in the compensation paragraph to an attached compensation schedule has been modified to instead refer to an attached Broker compensation schedule to indicate that C.A.R. does not have such a form.

Cancellation of Buyer Representation (COBR) –

Reformatting of form so that all cancellation options appear before signature. Allows for cancellation effective date on exclusive representation to be something other than 30 days. Provides new option

for single property cancellation and withdrawal of representation if broker is cancelling because seller will not compensate buyer's broker.

Commercial Purchase Agreement (CPA) –

Added occupancy option other than investment for situations where buyer will be occupying property for own business or other use.

Seller Contingency Removal (CR-S)

If paragraph 2C of the Seller Purchase of Replacement Property (C.A.R. Form SPRP) form is completed, a seller is permitted to extend the escrow closing date for the sale of seller's property upon removing the finding of replacement property contingency. A new optional paragraph has been added to the CR-S to allow the seller to give notice of extending the escrow date when removing the finding replacement property contingency.

Disclosure and Modification to Listing Agreement (DM-LA) –

This form can be used with any property listing, not just residential listings. The subtitle was modified to remove the reference to the RLA.

Independent Contractor Agreement (ICA) –

The automobile paragraph was modified to provide that the associate-licensee shall provide proof that broker is named as an additional interest on the A-L's auto insurance policy, and, if allowed by the insurer broker to be named as an additional insured.

Lease Listing Agreement (LL) –

A reference to the Security Deposit Disclosure and Addendum (C.A.R. Form SDDA) was added to the security deposit paragraph. The SDDA form addresses the one-month limit on security deposits, or two-month maximum if the rental property owner is a "small" landlord. The reference to a Rental Property Owner Questionnaire which identifies certain conditions of the property has been changed from an automatic

requirement to an optional one that would only be completed if requested by the lease listing agent.

Lead-Based Paint and lead-Based Paint Hazards Disclosure, Acknowledgment and Addendum (LPD) –

Language modified to be consistent with C.A.R. reference to Housing Providers and to EPA’s nationwide suggestions.

Multiple Listing Service Addendum (MLSA) –

Language was added so that if the applicable boxes are checked the MLSA form can be used in place of a SELM (Seller Exclusion of Listing from the MLS) because all terms of the SELM will be in the MLSA.

A proposal is made to remove the MLS Concession paragraph (paragraph 5 in the previous version of the MLSA) and incorporate those paragraphs into the RPA.

Move-Out Inspection (MOI) –

A tenant forwarding address field has been next to the tenant signature.

Modification of Terms – Buyer Representation Agreement (MT-BR) –

Language was modified to make the form more generic so that the form can be used to modify a Buyer Representation and Broker Compensation Agreement (C.A.R. Form BRBC), a Property Showing and Representation Agreement (C.A.R. Form PSRA), or a Tenant Representation and Broker Compensation Agreement (C.A.R. Form TRBC).

Modification of Terms - Listing Agreement (MT-LA) –

Language was modified to make the form more generic so that it may be used to modify a real property sale listing or a lease listing.

Option Agreement (OA) –

This form was reviewed and updated so that all forms in the C.A.R. library will have a revision date of not more than 4 years prior to the existing calendar year. Changes include making Option Consideration a defined term, adding entity signature blocks, removing cooperating broker compensation paragraph and updating delivery terms to be consistent with the RPA.

Pool, Hot Tub and Spa Addendum (PHSA) –

This form was reviewed and updated so that all forms in the C.A.R. library will have a revision date of not more than 4 years prior to the existing calendar year. Changes include limiting the indemnity clause and responsibility clause to actions by a tenant that are inconsistent with the designated rules or caused by a tenant’s own negligence or reckless conduct.

Property Showing and Representation (PSRA) –

Added a reference in the compensation paragraph to a Broker compensation schedule. Added a continuation period. Added a confirmation of compensation paragraph on the last page. The AD form will be bundled with the PSRA form to comply with a new state law that will require disclosure of agency to be made before entering into a buyer representation agreement. Reference has been added to an attached Broker compensation schedule.

Property Visit and Open House Advisory (PVOH) –

This form was reviewed and updated so that all forms in the C.A.R. library will have a revision date of not more than 4 years prior to the existing calendar year. Changes include a more familiar tone by referring to the visitor as “you” and a revised warning about recording devices.

Residential Income Purchase Agreement (RIPA) –

Added the word “units” to describe what is currently seller occupied.

Residential Listing Agreement (RLA) -

Proposal to add a seller concession paragraph in the MLS section in the grid and then if adopted to move the equivalent language out of the Multiple Listing Service Addendum (C.A.R. Form MLSA). Reference in the compensation paragraph to an attached compensation schedule has been modified to instead refer to an attached Broker compensation schedule to indicate that C.A.R. does not have such a form.

Once approved by the Standard Forms Advisory Committee, the following listing agreements will be conformed to address changes to the RLA, where applicable: Residential Listing Agreement Seller Reserved (RLASR), Residential Listing Agreement – Open (RLAN), Commercial and Residential Income Listing Agreement (CLA), Vacant Land Listing Agreement (VLL), Business Listing Agreement (BLA).

Residential Lease or Month-to-Month Rental Agreement (RLMM) –

Added language to broker compensation paragraph to make explicit that owner may agree to pay owner's broker or tenant's broker. Optional paragraph identifies the amount of compensation that the owner agrees to pay tenant's broker. Optional paragraph makes compensation method consistent with that in residential sales and would make the language in the lease/rental agreement consistent with that in the RPA and SPBB.

Residential Purchase Agreement (RPA) -

Paragraph 3G in the grid has been updated to include the dollar or percentage amount the buyer is asking the seller to pay the buyer's broker directly into paragraph 3G(3). This change will remove the need for a separate Seller Payment to Buyer's Broker (C.A.R. Form SPBB) to be attached to the RPA, and make it easier to counter the term in a seller counter offer, if desired. Paragraph 3G has also been modified so that 3G(1) only applies to seller credits for closing costs. Paragraph 3G(2) will

refer to additional seller concessions for costs and expenses other than buyer broker fees. Old paragraph 3G(2) referring to other financing terms. Generic paragraph 3R can be used instead of former 3G(2). The language in form SPBB explaining that if seller agrees to pay the buyer's broker fee the seller can ask for proof of the compensation agreement, that the buyer has an obligation to deliver the evidence of compensation upon request and that the broker is a third-party beneficiary of the seller's promise to pay has been incorporated into paragraph 18.

Once approved by the Standard Forms Advisory Committee, the following purchase agreements will be conformed to address changes to the RPA, where applicable: Residential Income Purchase Agreement (RIPA); Commercial Purchase Agreement (CPA); Vacant Land Purchase Agreement (VLPA); Notice of Default Purchase Agreement (NODPA); New Construction Purchase Agreement (NCPA); Already Built Subdivision Purchase Agreement(ABSPA); and Condominium Conversion Subdivision Purchase Agreement(CCSPA).

Rental Property Owner Questionnaire (RPOQ) –

Removed the reference to using the form with a lease listing since providing the RPOQ is no longer mandatory as part of a lease listing.

Seller Counter Offer (SCO) –

Language added to allow for mutual agreement to extend the expiration date beyond that specified.

Square Footage and Lot Size Disclosure and Advisory (SFLS) –

This form was reviewed and updated so that all forms in the C.A.R. library will have a revision date of not more than 4 years prior to the existing calendar year.

Seller License to Remain in Possession Addendum (SIP) –

Language added to paragraph 5 to make clear that buyer is permitted entry to make repairs required by buyer's lender or insurer.

Seller Multiple Counter Offer (SMCO) –

Language added to allow for mutual agreement to extend the expiration date beyond that specified.

Seller (Or Landlord) Non-Agency Agreement (SNA) –

Language was removed which referred to the offer of compensation through the MLS. Added language to buyer paid compensation paragraph to reflect that a purchase agreement may alter who pays such compensation.

Seller Property Questionnaire (SPQ) –

Paragraph 9B was added to address a disclosure requirement added by SB 1366 addressing water storage tanks that were provided with financial assistance from the Water Resource Control Board to advise buyers to have an investigation and that the storage tank may not transfer with the property.

Summary of Multiple Offers (SUM-MO) –

This form which allows a seller to compare some of the most significant terms of up to 5 offers has been modified to address seller credits for closing costs and other concessions as well as buyer broker fees and to give the seller a "net proceeds" amount before other seller costs and expenses. The contingency paragraphs were updated to include the newly added insurance contingency to the RPA.

Transfer of Listing Agreement (TOL) –

Language was added to address the need to provide to escrow or buyer's broker documents related to broker compensation.

Vacant Land Listing Agreement (VLL) –

To make this form consistent with other listing agreements, a reference to the Additional Agent Acknowledgment (C.A.R. Form AAA) was added to the broker signature section.

Region 6 Regional Representative Committee Report

Name

Patricia Bennett

NRDS #

183500267

Association

Bridge

Email

patricia.bennett@compass.com

Phone

(510) 387-1773

Committee

Homeownership Housing

Meeting Day/Time

Weds, 9/25/24, 8am

Action Items

Should C.A.R. sponsor legislation to require an HOA, regardless of size, to maintain all documents listed in Civil Code Section 4525 (documents required by statute for transfers) on a website? Motion failed

Discussion Items**Upload Attachments****Date Completed**

10/4/2024

Region 6 Regional Representative Committee Report

Name

Michael Tessaro

NRDS #

206508212

Association

Bay East AOR

Email

mtessaro@intero.com

Phone

(925) 519-9099

Committee

HAF-Housing Affordability Fund

Meeting Day/Time

September 24, 2024 8 AM until 12:00 PM

Action Items

Funding Request from the Santa Clara County Association of REALTORS® See Final Report for approved motion.

See C.A.R 2025 Budget for HAF Gift from C.A.R for \$1,000,000 to continue the funding for the Pathway to Home Closing Costs Assistance Grant Program (Note the name change it is now the Pathway to Home)

Discussion Items

1. For business planning purposes and to hopefully get us to 100% again in 2025, please put at least \$100 in your budget for the Bronze Pin level in 2025. If \$100 is too much, we will accept \$50 for the Ambassador Level as the minimum contribution to allow us to be 100% participation from our directors once again.
2. Please consider attending the Zoom Holiday Cooking with C.A.R Leadership (\$90 donation). It is a really fun event.
3. 2025 Fund Raising events: HAF Region Contest-Winter Meetings, HAF Bowling or Casino Night during Fair Housing event April 8, 2025, HAF Raffle-Spring Meetings as well as Fall-2025 meetings, Holiday Cooking with C.A.R. Officers Mid-November, 2025.
4. See attached attachments for more information and details, including the list of winners for the 2024 Raffle

Upload Attachments

Fall 2024 Committee Agenda Sep19.pdf

Raffle Winner Notification 2024.pdf

HAF Region Contest.pdf

Raffle Winners-2024.pdf

Housing Affordability Fund Raffle.pdf

Holiday Cooking with CAR's Officers.pdf

Date Completed

10/1/2024

AGENDA



Housing Affordability Fund Committee
Tuesday, September 24, 2024 – 8:00 AM to 12:00 PM.
Hyatt Hotel – Beacon Room A

Mission Statement: The CALIFORNIA ASSOCIATION OF REALTORS® Housing Affordability Fund plays an active role in addressing the ongoing housing affordability crisis facing our state. H.A.F. will raise and distribute funds in partnership with local associations and other groups to promote housing and homeownership.

Presiding: Frank Oti, Chair
Victoria Copeland, Vice Chair
Ditas Yamane, Vice Chair
Larry Black, Committee Liaison
Sara Sutachan, Staff
Alma Menchaca, Staff
Marc Farfel, Staff

I. Doors Open / F&B / Sign-In:

1. Kindly sign the attendance form with the Sergeant-at-Arms at the door.
2. Voting members, please find your name tent on the square table and take your seat.
3. Raffle tickets or stubs should be turned in to Alma at the end of the meeting or at the HAF booth.

II. Welcome & Introductions

III. HAF Mission Statement Introduction

IV. Spring Meeting Minutes

V. Booth Schedule

VI. Funding Requests

- A. Santa Clara County Association of REALTORS®

VII. Special Reports

A. Donor Recognitions for 2024

1. Southwest Riverside County AOR
2. Richard Rosenthal Foundation
3. Tehama County AOR
4. Region 2
5. Contra Costa AOR – Bowling Tournament Fundraiser
6. FFB Bank – C.A.R. Speaker Fees donated to HAF

VIII. 2024 Fundraising Update

1. Region Contest Winners –

Recognition at BOD – Region 01, Region 21

Recognition at BOD and 10 Tickets to Holiday Cooking Event – Region 19, Region 25, Region 30

2. Fair Housing/HAF Casino Night Event

3. HAF Raffle

4. Holiday Cooking with C.A.R.'s Officers Coming up - November 21st, 5:00pm to 7:00pm

Current Supporting Sponsors

Event Sponsor - The Inland Gateway AOR

Dessert Sponsor - Coast to Canyon Real state

Dessert Sponsor - Nevada County AOR

Dessert Sponsor - Contra Costa AOR

Cocktail Sponsor - Santa Clara County AOR

Cocktail Sponsor - San Mateo County AOR

Cocktail Sponsor - California Desert AOR

IX. HAF Dues and Contributions

X. Pathway to Home Closing Cost Assistance Grant Program Update Presented by Marc Farfel

XI. New Business

A. Discuss Sustainable Programs

1. Alternative Loan Ideas

2. Working on getting testimonials from REALTORS® clients using Pathway

B. Other New Business

XII. C.A.R. CARES Project Update -

Presented by Karah Shaw Chair of CARES TF and Tyler Eble ADS Consultant

XIII. Budget/Financials – Rizwan Uraizee, C.A.R. Controller

XIV. HAF Overall Investment Discussion - Presented by Mark Peterson, Larry Black, and Rizwan Uraizee

XV. Future Fundraising Events

1. HAF Region Contest - Winter Meetings.

2. HAF Bowling or Casino Night during Fair Housing Event - April 8, 2025.

3. HAF Raffle - Spring Meetings

4. Holiday Cooking with C.A.R. Officers - Mid-November

XII. 2025 HAF Leadership Introduction.

Chair: Derik Dami, Central Valley Association of REALTORS® INC

Vice Chair: Teresa Dietrich, Nevada County Association of REALTORS®

Vice Chair: Janine Nielsen, The Inland Gateway Association of REALTORS®

Committee Liaison: Michael Gordon, Santa Clara County Association of REALTORS®

XIII. Meeting Adjourn



HAF Region Contest



The flyer features a background image of a door handle with a keychain that includes a small house-shaped charm. The text is arranged in a dark blue and light beige color scheme. On the left, the year '2024' is in a small font above the words 'Region Contest' in a large, elegant script. On the right, there are logos for the California Association of Realtors and HAF (Housing Affordability Fund). Below the logos, text explains the contest's purpose: to enhance homeownership for underserved communities through grants. It provides the website carhaf.org and mentions the 'Pathway to Homeownership Closing Cost Assistance Grant' program. At the bottom right, a section titled 'Is This Your Region's Lucky Year?' encourages donations to reach a 100% milestone for regional recognition and virtual passes to HAF events.

HAF Region Contest Extended to September 26th!

Get 100% of Directors in your Region to donate to HAF by September 26th, and your Region could win!

Region Contest Flyer available for you to share.

* If your Region reaches **100% of Directors donating at the \$100 Bronze Pin Level or higher**, your region receives recognition at the following Board of Directors Meeting and **10 tickets to our virtual HAF Cooking Class with C.A.R. Officers.**

* If your region reaches **100% of Directors donating at the \$50 Ambassador Pin Level or higher**, your REGION wins a recognition at the following Board of Directors Meeting

DONATE HERE!

Pin Donation Levels

Founders \$1,500 (\$500 Renewal) - Gold \$1,000 (\$350 Renewal) - Silver \$500 (\$250 Renewal) - Bronze \$100 - Ambassador \$50

;



The flyer features a warm, textured background with illustrations of a pie, a slice of pumpkin pie, a cupcake, and various autumn leaves. The title 'HOLIDAY COOKING' is prominently displayed in large, bold letters. Below the title, the event details are provided, including the date and time. Five circular portraits of the participating officers are shown, each with their name and title. A ticket price of \$90 is listed, along with a description of the grant program and contact information for Alma Menchaca.

HOLIDAY COOKING

Join HAF for an Exclusive Cooking Lesson with C.A.R.'s Officers as they prepare their favorite holiday dishes!

November 21st at 5:00PM Via Zoom

MELANIE BARKER
2024 C.A.R. President

HEATHER OZUR
2024 C.A.R. President-Elect

MARK PETERSON
2024-2025 C.A.R. Treasurer

TAMARA SUMINSKI
2025 President-Elect

DEBRA FERRIER
REBS CEO

TICKET
\$90
(Recipe Card Included)

Help us raise money for our Pathway to Home Closing Cost Assistance Grant Program which helps first-time homebuyers who are members of an "Underserved Community*" bridge the affordability gap by providing them with up to \$10,000 in closing cost assistance.

Learn more at carhaf.org

Contact: Alma Menchaca
haf@car.org | 213-739-8352

CALIFORNIA ASSOCIATION OF REALTORS
HAF
HOME AFFORDABILITY FUND

Get ready for a festive culinary adventure! The Housing Affordability Fund is thrilled to present a Virtual Holiday Cooking Class with our charismatic C.A.R. Officers. Mark your calendars for Thursday, November 21, 2024, from 5:00 PM to 7:00 PM, and prepare for an evening of delicious fun.

Join our C.A.R. Officers as they whip up their favorite holiday dishes and mix delightful festive drinks in this exclusive, interactive event. This is a fantastic opportunity to connect with your remote team in a whole new way, stepping out of the daily grind and into a joyful, shared experience—all from the cozy convenience of your own

kitchen. Engage with our officers, swap stories, ask questions, and create lasting memories together.

For an even more immersive experience, select a dish or two to cook along with our officers. We'll send out recipe cards to all participants a week in advance, so you'll have plenty of time to gather your ingredients and be ready for the culinary fun. Don't miss out on this unique chance to celebrate the season with your team—register now and get ready to cook up some holiday magic!

[View Sponsorship Packets Here](#)

*Sponsors and complimentary guests will receive a special gift, along with a list of recipes and ingredients for their cooking experience.

[Purchase Sponsorship or Tickets Here](#)

*Guests purchasing a ticket will receive a list of recipes and ingredients for their culinary adventure.

Proceeds from ticket sales will support the **Pathway to Home Closing Cost Assistance Grant Program**. This program helps first-time homebuyers from underserved communities by providing up to \$10,000 in closing cost assistance. These grants are available to low-to-moderate income (120% AMI and below) first-time homebuyers who engage the services of a CA REALTOR®. Thanks to your support, we've helped numerous California families achieve their dream of homeownership.

For more information you may contact Alma Menchaca at (213) 739-8352 or **haf@car.org**

Housing Affordability Fund Raffle



**RAFFLE
CONTEST**

Support C.A.R.'s HAF Pathway to Homeownership Closing Cost Assistance Grant program to help families own their first home

GRAND PRIZE
\$5,000

2ND PRIZE
\$2,000

3RD PRIZE
\$1,000
2 winners - AMEX gift cards

4TH PRIZE
\$100
20 winners - AMEX gift cards

ENTRY
\$20
GET YOUR
TICKETS NOW!

TICKET 312268

CALIFORNIA ASSOCIATION OF REALTORS® | HOUSING AFFORDABILITY FUND
Leading the Way. Home

Join our thrilling HAF Raffle where every ticket you purchase brings you closer to a bounty of fantastic prizes! Don't let this opportunity slip away; secure your tickets from any of our dedicated HAF Committee members during the C.A.R. Spring and Fall business meetings. Mark your calendar for the big reveal, as winners will be drawn and announced around 2:00 p.m. on Thursday, September 26, 2024, at the C.A.R. Housing Affordability Fund Booth during the C.A.R. Reimagine! Conference held at the Long Beach Convention Center in Long Beach, California. Please note that the drawing and announcement dates are subject to change at the discretion of HAF.

With each ticket, you're not just entering a raffle; you'll also be contributing to our **Pathway to Home Closing Cost Assistance Grant Program** which helps first-time homebuyers who are members of an "Underserved Community*" bridge the affordability gap by providing them with up to \$10,000 in closing cost assistance.

Don't miss out on your chance to win big!

Grand Prize: \$5,000

2nd Place: \$2,000

3rd Place \$1,000 AMEX Gift Card (2 Winners)

4th Place \$100 AMEX Gift Card (20 Winners)

HAF Raffle Official Rules

For questions on the raffle or how to purchase tickets, please reach out to Alma Menchaca at (213) 739-8352 or email at haf@car.org.

*Prizes; Odds of Winning: (i) Grand Prize: \$5000; (ii) 2nd Place Prize: \$2000; (iii) Two 3rd Place Prizes: \$1000 AMEX Gift Cards; and (iv) Twenty 4th Place Prizes: \$100 AMEX Gift Cards. Gift cards not redeemable for cash; no substitutions. Odds of winning will depend on the number of tickets sold throughout the Raffle Period. A maximum of 2150 raffle tickets are available for purchase. Only one prize per person. If fewer than 1076 tickets are sold, the Grand Prize will be \$2000; the 2nd Place Prize will be \$750; the 3rd Place Prizes will each be \$250; and the 4th Place Prizes will each be \$30.

;

Cc: Sara Sutachan <saras@car.org>; Marc Farfel <Marcf@car.org>

Subject: RE: HAF Raffle

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Good afternoon, everyone!

I am thrilled to congratulate all the lucky winners of the HAF Raffle! 🎉 A massive THANK YOU to each of you for your incredible dedication in making this raffle another amazing success for HAF and the Pathway to Home Program.

Your hard work and enthusiasm truly made a difference, and we couldn't have done it without you!

Check out the list of winners below and thank you once again for all your time and support.

 [Raffle Winners.xlsx](#)

Together, we're making a real impact!

Alma Menchaca
Housing Affordability Fund Coordinator
CALIFORNIA ASSOCIATION OF REALTORS®
525 South Virgil Avenue
Los Angeles, CA 90020
Phone: (213) 739-8352
Fax: (213) 351-8426
E-Mail: almam@car.org

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October 30 | Conrad Hotel, Los Angeles

[Secure your pass on ccre.us.](https://www.ccre.us)

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Region 6 Regional Representative Committee Report

Name

Steve Medeiros

NRDS #

206532888

Association

Bay East

Email

stevemedeiros2@gmail.com

Phone

(510) 599-1682

Committee

IMPAC Trustees

Meeting Day/Time

Tues 8am

Action Items

IMPAC TRUSTEES

1. That the following slate of IMPAC Trustees and Alternates be elected. New Trustees serve for a two-year term. Non-voting Alternate Trustees may be selected to fill the remainder of a vacant term during their two year term.

NOMINEES FOR IMPAC TRUSTEE

(November 2024 – November 2026)

Barbara Lebrecht, Region 3

Michele Manzone, Region 5

Joanie Irish, Region 7

2024 Fall Summary of Action Items

Paul Cardus, Region 9

Arleen Hardenstein, Region 10

Cami Pinsak, Region 11

Ken Neufeld, Region 12

Donna O'Donnell, Region 14

Lorraine Clark, Region 16

Howard Katchen, Region 18

Alice McCain, Region 18

Joseph Hisquierdo, Region 27

Cindy Blankenburg, Region 31

NOMINEES FOR IMPAC NON-VOTING ALTERNATE TRUSTEE

(November 2024 – November 2026)

Austin Barron, Region 2

Daniel Hershkowitz, Region 8

Suzanne Yost, Region 9

Janet Sprissler, Region 11

Adonae Faris, Region 12

David Potter, Region 21

2. It was reported for information only that the following IMPAC requests were approved:--\$49,900 to the Marin Association of REALTORS® to fund the "Keep Fairfax Fair Act", a ballot initiative that would repeal local rent control that was imposed by the Fairfax Town Council in 2022."--\$49,900 to the Marin Association of REALTORS® to fund an opposition campaign against new rent control measures in the town of San Anselmo (Measures N and O).

3. It was reported for information only that the following IMPAC requests were approved during virtual meetings held after the spring 2024 board meetings and before the fall 2024 board meetings:--\$250,000 to the California Apartment Association's Protect Patients Now campaign, to support the passage of Proposition 34 which will be on the November 2024 ballot.--\$300,000 to the Pacific West

Association of REALTORS® to fund an opposition campaign against Measure CC, which would permanently enshrine rent control and just cause eviction ordinances into the city of Santa Ana's charter.--\$140,000 to the San Benito County Association of REALTORS® to fund an opposition campaign against Measure A, which seeks to amend the County General Plan to require voter approval before redesignating agricultural, rural, or range lands, and retroactively removes commercial 4. It was reported for information only that the following local Associations of REALTORS® were authorized to begin the inter-board solicitation process:--Pacific West Association of REALTORS ® to oppose Measure CC, which would permanently enshrine rent control and just cause eviction ordinances into the city of Santa Ana's charter.--San Benito County Association of REALTORS ® to oppose Measure A, which seeks to amend the County General Plan to require voter approval before redesignating agricultural, rural, or range lands, and retroactively removes commercial regional designations from four Highway 101 nodes.

Discussion Items

Upload Attachments

Date Completed

10/3/2024

Region 6 Regional Representative Committee Report

Name

William Doerlich

NRDS #

159510462

Association

Bay East

Email

will@willdoerlich.com

Phone

(415) 860-3609

Committee

Investment Housing

Meeting Day/Time

Wednesday 9/25/24 @ 0800

Action Items

No Action Items

Discussion Items

presentation by Oscar Wei, Deputy Chief Economist, CAR, on the Rental Housing Market Forecast
Proposition 34 update - Nov 24 ballot measure
Reports on Legislative Actions

Upload Attachments

Fall 2024 Investment Housing Committee Agenda.pdf

Date Completed

10/3/2024

AGENDA



Fall 2024

INVESTMENT HOUSING COMMITTEE

Long Beach, CA

Wednesday, September 25

8:00 a.m. to 9:15 a.m.

MISSION STATEMENT

The Investment Housing Committee is a Policy Committee. Its mission is to develop C.A.R.'s housing policy in the rental segment of California's housing opportunities. It has original jurisdiction to evaluate housing legislation and regulation in the following issue areas: Multifamily and Property Management.

PRESIDING

Lisa Fore, Chair

Ernie Ochoa, Vice Chair

ISSUE CHAIRS

Ruth Hayles, Multifamily

Scott Brady, Property Management

COMMITTEE LIAISON

Barbara Betts

STAFF

Karim Drissi, Director of Public Policy and Advocacy

I. OPENING REMARKS - Lisa Fore, Chair

II. RENTAL HOUSING MARKET OUTLOOK - Oscar Wei, C.A.R. Deputy Chief Economist

III. UPDATES AND REPORTS

A. MULTIFAMILY - Ruth Hayles, Issue Chair

1. AB 2187 (Bryan) Office of Tenants' Rights and Protections - This bill would have put additional cost pressures on the state during a budget shortfall to create and maintain a list of "statewide tenants' rights and protections" that is already available through third parties and other state departments. C.A.R. successfully opposed AB 2187, which failed to pass out of the Assembly Appropriations Committee.

Position: Oppose

Status: Dead

2. AB 2384 (Wilson) Swimming Pools: Emergency Telephones - This bill would have required housing providers who own multiunit apartment buildings with swimming pools to install emergency call boxes on or adjacent to the pool deck. The bill would have also required that these call boxes be connected to and answered by live emergency operators. It is C.A.R.'s understanding that the bill was sponsored by a company involved in the call box industry. AB 2384 was completely unnecessary and would have imposed

onerous costs on housing providers. AB 2384 was scheduled to be heard in the Assembly Health Committee; however, due to C.A.R.'s opposition, the author pulled the bill and the measure was not heard. AB 2384 is now dead.

Position: Oppose

Status: Dead

3. AB 2539 (Connolly) Mobilehome Parks: Right of First Refusal - This bill would have prohibited a mobilehome park owner from selling their park until they have first solicited offers from resident organizations comprised of residents living in the park. The owner would have been required to engage in "good faith" negotiations with the organization by evaluating their offer without considering several factors, including the time for closing and the type of financing or payment method. The owner would have been prohibited from entering into a listing agreement to sell the park for 120 days after notifying resident organizations in writing of their intent to sell the park. AB 2539 would have diminished the private property rights of mobilehome park owners. C.A.R. successfully opposed AB 2539, which failed to pass out of Assembly Appropriations Committee.

Position: Oppose

Status: Dead

4. AB 2778 (Muratsuchi) Statewide Rent Cap on Mobilehomes - This bill would have imposed a rent cap of 3% plus the percentage change in the cost of living or 5%, whichever is lower, on mobilehomes across the state. AB 2778 was a reintroduction of AB 1035 (Muratsuchi), which C.A.R. successfully opposed last year. C.A.R. successfully opposed AB 2778, which failed to receive a hearing in the Assembly Housing and Community Development Committee.

Position: Oppose

Status: Dead

5. AB 2933 (Low) Rental Housing: Toilet Fixtures - As introduced, this bill would have required the California Building Standards Commission to research, develop, and propose building standards to reduce water waste in new and existing residential properties containing two or more dwelling units, including requiring the installation of "point-of-use systems" – a smart technology that uses remote data gathering and real-time analytics to detect water waste and to identify the point of failure. AB 2933 would effectively require housing providers to perform costly retrofits on toilet fixtures in existing rental housing. C.A.R. successfully opposed AB 2933, which failed to pass out of the Assembly Appropriations Committee.

Position: Oppose

Status: Dead

6. SB 584 (Limón) Tax on Short-Term Rentals - Short-term rentals are typically a cost-effective alternative for many individuals and families who cannot afford a hotel or other types of temporary lodging. This bill would have imposed a 15% tax on renters of short-term rentals, which would have put this type of lodging out of reach for many low- and moderate-income families. This would have included victims of wildfires and other natural disasters who seek temporary refuge by renting a short-term rental. C.A.R. successfully opposed SB 584, which failed to receive a hearing in the Assembly Housing and Community Development Committee.

Position: Oppose
Status: Dead

7. SB 611 (Menjivar) Advertisement of Residential Rental Properties - This bill would have imposed onerous requirements on housing providers and their agents by, among other things, requiring the inclusion of certain costs and fees in property advertisements that may be difficult or impossible to quantify. Due to C.A.R.'s strong opposition, the bill was amended to completely remove all of these provisions. As amended, the bill now instead provides, among other things, that a housing provider cannot charge a tenant a fee for payment by check for rent or security deposit.

Position: Watch
Status: Pending on the Governor's Desk

8. SB 1201 (Durazo) Limited Liability Companies: Personal Information - This bill, among other provisions, would have required "beneficial owners" of limited liability companies (LLCs) to disclose in the statement to the Secretary of State their name and complete business or home address. LLCs are already required to file an extensive amount of information with the Secretary of State. C.A.R. successfully opposed SB 1201, which failed to pass out of the Assembly Appropriations Committee.

Position: Oppose
Status: Dead

B. PROPERTY MANAGEMENT - Scott Brady, Issue Chair

1. AB 2059 (Flora) Dilapidations: Liability Shield for Housing Providers - This bill would have prevented a housing provider from being liable for dilapidations that render a unit untenable, unless 1) the housing provider received notice of the dilapidations and 2) the housing provider was given a "reasonable time" to repair the dilapidations. If a housing provider acted to repair the dilapidations within 30 days following the notice provided by the tenant, it would have been presumed the housing provider acted within a "reasonable time."

Position: Support
Status: Died in the Assembly Judiciary Committee

2. AB 2216 (Haney) Pets in Rental Housing - AB 2216 would have mandated that housing providers allow multiple pets in rental units. After facing staunch opposition to the measure from C.A.R. and other groups, the author indicated that he was going to drastically amend the bill to change or soften many of its provisions, as well as provide that the bill would no longer apply to properties with 15 or fewer units. The news of these forthcoming amendments aggravated the tenants' rights activists, which caused the author to delay putting these amendments into print. During this time, C.A.R. continued to oppose the bill as it appeared that the author was not moving forward with his proposed amendments. Due to C.A.R.'s opposition, as well as the pressure put on the author by the proponents to keep the bill as is, AB 2216 failed to receive a hearing in the Senate Judiciary Committee.

Position: Oppose
Status: Dead

3. AB 2304 (Lee) Unlawful Detainer: Case Records - Existing law masks unlawful detainer case records from public view under specified conditions. As introduced, AB 2304, among other provisions, would have expanded these masking requirements to apply to unlawful detainer cases involving more than \$35,000 in unpaid rent, making it much more difficult for housing providers to determine a rental applicant's ability to pay the rent. As amended, the bill no longer expands these masking requirements to apply to cases involving more than \$35,000, removing C.A.R.'s opposition.

Position: Watch

Status: Pending on the Governor's Desk

4. AB 2347 (Kalra) Answering an Unlawful Detainer - Current law requires a tenant to respond to an eviction within five days, excluding Saturdays, Sundays, and other judicial holidays. AB 2347, among other provisions, extends this time period to ten days, excluding Saturdays, Sundays, and other judicial holidays. C.A.R. opposes AB 2347 as it unnecessarily extends the already lengthy time period for an eviction.

Position: Oppose

Status: Pending on the Governor's Desk

5. AB 2493 (Pellerin) Application Screening Fee - As introduced, this bill would have provided that a housing provider or property manager would not be able to charge more than one application screening fee within a 30-day period if the applicant is applying to other units owned by the same housing provider or managed by the same property manager. However, the California Apartment Association asked the author to amend the bill to remove the above provisions and instead provide that a housing provider may only charge an application screening fee if they offer an application screening process that complies with all of the following: 1) completed applications are considered in the order in which the completed applications were received; 2) the housing provider's screening criteria be provided to the applicant in writing together with the application form; 3) the first applicant who meets the housing provider's screening criteria is approved for tenancy; and 4) applicants are not charged an application screening fee unless or until their application is actually considered. C.A.R. expressed concerns regarding this version of the bill as it could cause confusion in the marketplace for small housing providers.

Position: Oppose Unless Amended

Status: Pending on the Governor's Desk

6. AB 2747 (Haney) Tenancy: Credit Reporting - AB 2747 builds on SB 1157 (Bradford, Statutes of 2020), which requires housing providers who own assisted housing developments with more than 15 units to report rent payments to a nationwide consumer reporting agency. Under SB 1157, housing providers who own assisted housing developments with 15 or fewer units who are individuals or LLCs made up entirely of individuals are exempt from such rent reporting. As introduced, C.A.R. opposed AB 2747, which would have required all housing providers who own rental property to report such rent payments. As amended, AB 2747 now contains the same exemption as SB 1157, ensuring that housing providers who own rental property with 15 or fewer units who are individuals or LLCs made up entirely of individuals are exempt from the provisions of the bill. Based on these amendments, C.A.R. removed its opposition.

Position: Watch

Status: Pending on the Governor's Desk

7. AB 2785 (Wilson) Tenant Application Screening Fee - Current law adjusts the tenant application screening fee annually based on the Consumer Price Index. For this year, the maximum fee that can be charged to applicants is \$62.02. AB 2785 would have lowered this amount by capping the application screening fee at \$50 and would have eliminated any future adjustments for inflation. The bill would have also required housing providers to deposit tenant security deposits into a bank account within 30 days of receipt and, if the account was an interest-bearing account, housing providers would have been obligated to return the security deposit along with the accrued interest to the tenant upon tenancy termination. C.A.R. successfully opposed AB 2785, which failed to pass off the Assembly Floor by the "House of Origin" deadline.

Position: Oppose

Status: Dead

8. AB 2801 (Friedman) Rental Housing: Security Deposits - As amended, AB 2801, among other provisions, clarifies existing law by specifying that security deposit deductions for labor and materials are limited to those "reasonably necessary to restore the unit to the condition it was in at the beginning of the tenancy, exclusive of wear and tear." However, C.A.R. continues to have concerns with the bill. Specifically, the bill establishes that claims against the tenant or the security deposit for work performed by a contractor, the housing provider, or the housing provider's employee must be limited to a "reasonable" amount necessary to restore the premises back to the condition it was in at the inception of the tenancy. It isn't entirely clear what "reasonable" means in this context, and C.A.R. is concerned that this lack of clarity could lead to confusion in the marketplace.

Position: Oppose Unless Amended

Status: Pending on the Governor's Desk

9. SB 1103 (Menjivar) Onerous Requirements on Specified Commercial Landlords - As amended, this bill applies to "qualified commercial tenants" who are restaurants with fewer than 10 employees or nonprofit organizations with fewer than 20 employees, as well as so-called "microenterprises." A microenterprise is a sole proprietorship, partnership, limited liability company, or corporation that has five or fewer employees, including the owner. C.A.R. opposes SB 1103, which, among other provisions, requires that a commercial landlord, within 30 days of a written request from a qualified commercial tenant, provide supporting documentation of previously incurred or reasonably expected building operating costs. The bill also provides that these building operating costs are allocated proportionately per tenant, by square footage, or another method as substantiated through supporting documentation provided by the commercial landlord to the qualified commercial tenant.

Position: Oppose

Status: Pending on the Governor's Desk

C. FEDERAL - Ernie Ochoa, Vice Chair

1. H.R. 4606 (Cleaver) and S. 32 (Coons) Choice in Affordable Housing Act of 2023 - This Act would have expanded access to affordable housing through HUD's Housing Choice Voucher program (i.e., Section 8) by removing programmatic barriers and establishing incentives to increase housing provider participation. Housing provider participation in this program has declined in recent years, making it more challenging for voucher holders to find housing in communities of their choice. This Act would have

invested \$500 million to increase voucher holders' housing choices by offering incentives to housing providers, including signing bonuses and security deposit assistance.

Position: Support

Status: H.R. 4606 died in the House Financial Services Committee and S. 32 died in the Senate Banking, Housing, and Urban Affairs Committee

2. Federal Housing Finance Agency: New Rules - The Federal Housing Finance Agency has unveiled new rules regarding renters in multifamily properties with Fannie Mae or Freddie Mac backed mortgages. The new rules only apply to multifamily properties (5 or more units) with loans backed by Fannie Mae or Freddie Mac. Effective February 28, 2025, these rules require a 30-day notice for rent increases and lease expirations, as well as a minimum 5-day grace period for late rent payments.

Position: Oppose

Status: Adopted

IV. OTHER BUSINESS - Lisa Fore, Chair

V. ADJOURNMENT

Region 6 Regional Representative Committee Report

Name

Melrose Forde

NRDS #

206511654

Association

Bay East

Email

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Phone

(510) 676-4566

Committee

Legal Action Fund Trustees

Meeting Day/Time

Sept 25, 2024 at 9:30 am

Action Items

The following actions taken by, and updates provided to, the LAFT since the April 2024 meetings is reported for information only:

Finger, et al. v. Loeb: The Trustees denied filing an amicus brief in the California Court of Appeal in this case. The case was brought to the attention of LAFT by an organization that was not a party to the action. In this case a real estate broker, without a listing agreement, found a buyer for the seller's property. The broker is identified as a dual agent in the purchase contract. The broker never provided the seller with the "Disclosure Regarding Real Estate Agency Relationship" (C.A.R. form AD). The seller cancelled arguing, among other reasons, that broker's failure to give the AD justifies cancellation. Buyer sued for specific performance. The Trial Court ruled in favor of the buyer and the seller filed an appeal.

Shear Development v. California Coastal Commission (CCC): The Trustees approved reviewing and joining a brief by Californians for Homeownership. The case was brought to the attention of LAFT by an organization that was not a party to the action. The case addresses the CCC's burden if the CCC disagrees with a local government entity's decision.

Discussion Items

The following are rulings in cases for which the Trustees previously authorized a brief:

Liu v. Barrelet: A seller and buyer entered into a purchase agreement for a home and a vineyard and agreed to a Residential Lease After Sale (RLAS). The seller paid a security deposit. After the seller moved out the buyer refused to return the deposit stating the seller misrepresented the condition of the vineyard. The buyer sought to compel arbitration claiming the arbitration clause in the purchase agreement applied to the RLAS. The seller argued that California Civil Code § 1953, precludes arbitration of claims arising from a lease. The trial court ruled that the dispute was not subject to arbitration. C.A.R. supported the buyer on appeal, arguing the RLAS is an extension of the purchase agreement and federal law mandates that the arbitration clause be enforced notwithstanding the California law applicable to leases. The appellate court affirmed the trial court's interpretation and denied the motion to compel arbitration.

Sheetz v. County of El Dorado: This case involved a property owner's challenge to a statutory imposition of a traffic mitigation fee when the owner applied to improve its property. C.A.R. added its name to an amicus brief filed by the National Association of REALTORS® at the United States Supreme Court after the lower California courts upheld the fee. The U.S. Supreme Court, in an opinion issued on April 12,

2024, determined that the takings rules apply to legislatively mandated fees, and not just administrative fees reversed and remanded the case back to the California Court of Appeal. There has been no request for additional C.A.R. involvement. The LAFT will continue to monitor the case.

Upload Attachments

Date Completed

9/27/2024

Region 6 Regional Representative Committee Report

Name

Janine Hunt

NRDS #

159121224

Association

Bridge

Email

jhuntsforhomes@gmail.com

Phone

(510) 409-6266

Committee

Professional Development & Education

Meeting Day/Time

Thursday 10/26 @1-3pm

Action Items

No action items

Discussion Items

We had a robust panel including all VCs, staff and the chair. The goal was to set conversation around agent Fears, Frustrations and Failures, Oh My! See agenda attached and note that Suzi Dunkel-Soto did NOT sit on the panel.

FYI-This was well attended in fact once again, we received a small room after many attempts this year to ensure a larger room. We were overflowing into the halls and lost attendees due to that.

Upload Attachments

2024 10 Oct ProDev Forum Agenda - Fall Meeting.docx

Date Completed

9/30/2024

AGENDA



9/26/24

PROFESSIONAL DEVELOPMENT AND EDUCATION FORUM

LOCATION:

DATE: Thursday, September 26, 2024

TIME: 1:00 PM – 3:00 PM

PRESIDING: CHAIR: Janine Hunt, Bridge AOR
VICE CHAIR: Anthony Gamber, Fresno AOR
VICE CHAIR: Stephenie Zinn, California Desert AOR
COMMITTEE LIAISON: Suzi Dunkel-Soto, Citrus Valley AOR
Staff: Nathaniel Osollo, REBS Education Services Manager

AGENDA

- I. 1:00p – 1:05p – Opening Remarks and Introductions – Janine Hunt
- II. 1:05p – 1:15p – C.A.R. Education Update – Nathaniel Osollo
- III. 1:15p – 1:20p – Regional Rep Reports: Current Issues / Pain Points – Stephenie Zinn
- IV. 1:20p – 2:50p – **PANEL & Q+A:**

Fears, Frustrations, and Failures, - Oh My!

- Knowing How to Navigate Your Business in a New Environment
- What New Practice Changes are Keeping You Up at Night
- How to Turn Practice Changes into Success

Participants:

Janine Hunt - Moderator
Stephenie Zinn
Anthony Gamber
Suzi Dunkel-Soto
Nathaniel Osollo

- V. 2:50p – 3:00p – Conclusion – Janine Hunt

Provide a forum to identify and communicate the professional and educational development needs of C.A.R. Members and to encourage competence and sustained success in the real estate profession through education.

The objectives of the Forum are:

1. To inform and update members of C.A.R. Education offerings.
2. To gather feedback, issues and member needs for statewide professional development.
3. Summarize and communicate recommendations as necessary.

4. Provide relevant presentation/panel on a featured program, topic or item of value at each forum meeting to increase awareness of C.A.R. Education programs.

Region 6 Regional Representative Committee Report

Name

Laura Wilson

NRDS #

206512963

Association

Bay East Association of REALTORS®

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Phone

(510) 760-4380

Committee

Professional Standards

Meeting Day/Time

9/25/24 @ 8:00am

Action Items

None

Discussion Items

1. Statewide Professional Standards Pilot Program has been extended for one more year to the end of 2025. Bay East has its own program BRIDGE uses the pilot program. The program is asking for Volunteers to help as hearing panelist. Statistics-2/6/24 - 9/12/24: 101 calls for Ethics, 23 for Arbitration 23. Cases filed: 85 ethnic, 12 arbitrations. Cases dismissed by Grievance 5, 77 Forwarded to a hearing.2. Hearings held: 28 ethics, 6 arbitration. 4 BOD reviews requested.

2. Grievance and Professional Standards Committee Training Work Group: The goal is to develop new training materials and reference guides for Grievance and Professional Standards Committee Volunteers. Every AOR does their Grievance and Professional Standards differently. The work group is trying to establish a list of recommended documents for review pre-hearing. Creating brief explanations of rolls to be used as a refresher prior to a hearing for Omdsman, Mediation, Grievance Committee Chair & Committee, Selecting a Professional Standards Hearing Panel, Arbitration and Ethics Hearing Panel members, BOD reviews, Association Counsel, Attorneys, and Staff. This work group will continue on through 2025.

3. Professional Standards Film Festival. Professional Standards is looking for 3 minute videos explaining the Code of Ethics in everyday life. Submission Deadline is Nov. 15, 2024.

4. There is a Professional Standards Forum to increase the expertise and professionalism of professional standard volunteers. Two forums have already been conducted in March and June. They are open to all professional standard volunteers throughout California. Links will be emailed to administrators who will then distribute to the local volunteers. Attendance is not mandatory but is strongly encouraged. The 3rd forum will take place Dec. 6,20024 10:00-12:00 The subject will be a Mock Board of Directors Ratification and a Mock Review Hearing.

Upload Attachments**Date Completed**

10/4/2024

Region 6 Regional Representative Committee Report

Name

Mike Fracisco

NRDS #

206519773

Association

Bay East

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Phone

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Committee

Public Policy

Meeting Day/Time

Tuesday 9/24-8 a.m.-10 a.m.

Action Items

No Action Items

Discussion Items

California Ballot Propositions for November Ballot; Proposition 33 and 34 and other Ballot measures were discussed by a Panel of Political Consultants

Upload Attachments**Date Completed**

10/3/2024

Region 6 Regional Representative Committee Report

Name

Nancie Allen

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206519235

Association

Bay East

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(510) 364-2139

Committee

REALTOR® Risk Management and Consumer Protection Forum

Meeting Day/Time**Action Items**

None

Discussion Items

We heard: that insurance continues to be a big issue, Agents are still confused on how to properly fill out the new forms, some Agents are having trouble adapting to the new way of doing business, and some confusion still about how to handle open houses. The Standard Forms committee was also being asked to provide a better explanation on the BRBC regarding exclusive representation vs. non exclusive representation. Gov also reviewed the new laws starting in 2025. I've included the current summary of the new laws as an attachment.

Upload Attachments

CAR2025NewLaws.pdf

Date Completed

10/3/2024

2025 New Laws

Member Legal Services
Tel (213) 739-8282
Fax (213) 480-7724
October 2, 2024 (revised)

2025 New Laws

This chart summarizes new laws passed by the California Legislature that may affect REALTORS® in 2025. For the full text of a law, click onto the bill link at the end of each summary or go to <http://leginfo.legislature.ca.gov/> for California laws.

Topic	Description
<p>ADUs: Extends the ADU amnesty law to unpermitted ADUs and junior ADUs built before 2020</p>	<p>Extends the Accessory Dwelling Unit (ADU) amnesty law to unpermitted ADUs and junior accessory dwelling units (JADUs) built before 2020.</p> <p>Requires cities and counties to provide a clear process for homeowners to obtain permits for their unpermitted ADUs.</p> <p>AB 2533 prohibits a local agency from denying a permit for an unpermitted accessory dwelling unit or junior accessory dwelling unit that was constructed before January 1, 2020, for various violations (“amnesty”), unless the local agency makes a finding that correcting the violation is necessary to comply with conditions that would otherwise deem a building substandard.</p> <p>Cities and counties must inform the public about the ADU amnesty rules through public information resources, including permit checklists and the local agency’s internet website, which must include the following:</p> <ol style="list-style-type: none"> (1) A checklist of the health and safety violations for which a building would be deemed substandard and therefore the locality could deny a permit. (2) Informing homeowners that, before submitting an application for a permit, the homeowner may obtain a confidential third-party code inspection from a licensed contractor to determine the unit’s existing condition or potential scope of building improvements before submitting an

application for a permit.

A homeowner applying for a permit for a previously unpermitted accessory dwelling unit or junior accessory dwelling unit constructed before January 1, 2020, shall not be required to pay impact fees or connection or capacity charges except when utility infrastructure is required to comply with above mentioned health and safety violations.

[Assembly Bill 2533](#) is codified as Government Code §66332. Effective January 1, 2025.

Balcony inspections:
Deadline for inspections extended until 2026 but not for condominium projects

Extends the deadline for wooden balcony inspections and other Elevated Elements for buildings with 3 or more multifamily dwelling units from January 1, 2025, to January 1, 2026. However, there is no extension of the deadline for wooden balcony inspections for condominium projects which remains January 1, 2025.

Current Law: If a building contains 3 or more units, and has balconies, decks, stairways or other structures extending beyond the exterior walls of the building, which are at least six feet above ground level, and supported in whole or in part by wood or wood-based products (“Elevated Elements”), current law requires that an inspection of the Elevated Elements be completed by January 1, 2025, and at least every six years thereafter.

AB 2579 provides a 12-month extension to the deadline for the inspection requirement thereby delaying the inspection deadline from January 1, 2025, to January 1, 2026.

There is a similar inspection requirement for the association of a condominium project to inspect Elevated Elements every nine years, with the deadline for completion of the initial inspection set at January 1, 2025. However, this deadline has not been extended and remains January 1, 2025.

Comment: Some cities and counties have their own codes/regulations regarding the deadline for inspection of Elevated Elements, and these may supersede the state requirement. See, for example, the City of Berkeley (<https://berkeleyca.gov/doing-business/operating-berkeley/landlords/exterior-elevated-elements-inspection-program-e3>) in which the deadline for compliance was May 31, 2022. Members and their clients are advised to seek appropriate licensed professionals to assist with these types of inspections.

[Assembly Bill 2579](#) is codified as Health and Safety Code §17973. Effective

<p>Balcony inspections in common interest developments</p>	<p>January 1, 2025.</p> <p>Civil engineers are added to the list of inspectors who are authorized to perform inspections of wooden balconies and other Elevated Elements in multiunit buildings located within a common interest development.</p> <p>Existing law: At least once every nine years, the HOA board of a condominium project with buildings containing three or more multifamily units is required to have conducted an inspection of wooden balconies and other exterior elevated elements for which the HOA has maintenance or repair responsibility. Previously, only a licensed structural engineer or architect was permitted to conduct these inspections.</p> <p>AB 2114 adds licensed civil engineers to the list of inspectors who are authorized to perform inspections of these elements in multiunit buildings located within a CID.</p> <p>Because the deadline for completing the first round of inspections of these elements is January 1, 2025, the bill has an urgency clause so that HOAs who still have yet to complete their inspections may take advantage of the expanded inspector list before the compliance deadline.</p> <p>Assembly Bill 2114 is codified as Civil Code §5551. This is an urgency statute. Effective July 15, 2024.</p>
<p>Buyer representation agreements</p>	<p>Requires a buyer representation agreement to be executed between a buyer’s agent and a buyer as soon as practicable, but no later than the execution of the buyer’s offer to purchase real property. This law applies to nearly all types of property but excludes leases and rental agreements.</p> <p>Application:</p> <p>This law applies to:</p> <ul style="list-style-type: none"> • Real property improved with 1 to 4 dwelling units including a unit in a stock cooperative, condominium or planned unit development • Multiunit residential property with more than four dwelling units • Commercial real property • Vacant land • A ground lease coupled with improvements, and • A manufactured home or a mobilehome when offered for sale or sold

through an agent pursuant to the authority contained in Section 10131.6 of the Business and Professions Code.

This law does not apply to:

- Leases and rental agreements
- Sale of state or federal land
- Loan brokering services

Timing

A buyer-broker representation agreement shall be executed between a buyer's agent and a buyer as soon as practicable, but no later than the execution of the buyer's offer to purchase real property.

Contents of the buyer representation agreement

The agreement must include:

- Compensation of the real estate broker
- Services to be rendered
- When compensation is due
- Contract termination

Three-month limit:

A buyer representation agreement cannot last longer than three months from the date the agreement was made, except for agreements entered into between a real estate broker and a corporation, limited liability company, or partnership.

Renewals:

- A buyer representation agreement shall not renew automatically.
- Any renewal shall be in writing and be dated and signed by all parties to the agreement.
- Renewals cannot last longer than three months from the date the renewal was made.

Agency Disclosure

The Agency Disclosure must be provided prior to execution (C.A.R. Form AD).

Void and Unenforceable

A buyer representation agreement that is made in violation of these provisions is void and unenforceable.

Licensing law violation

Any person licensed under the Real Estate Law who violates the provisions related to buyer representation agreements is deemed to have violated their licensing law.

	<p>Notice re negotiability of commissions</p> <p>Statutory notice that compensation is not fixed by law and is negotiable must be included in all form buyer representation agreements.</p> <p>Assembly Bill 2992 is codified as Business and Professions Code § 10147.5, Civil Code §§ 2079.13, 2079.14, and 2079.16, and Code of Civil Procedure § 1298. Effective January 1, 2025.</p>
<p>Common Interest Developments:</p> <p>Responsibility for repairs necessary to maintain utilities</p>	<p>The association is responsible for repairs and replacements necessary to restore interrupted gas, heat, water, or electrical services that begin in the common area even if the matter extends into a separate interest or the exclusive use common area appurtenant to a separate interest</p> <p>However, the association will not be responsible if otherwise provided in the declaration of a common interest development, or if the utility service that failed is required to be maintained, repaired, or replaced by a public, private, or other utility service provider,</p> <p>An association’s board shall commence the process to make the repairs necessary to restore gas, heat, water, or electrical services, as required by the above provisions, within 14 days of the interruption of services.</p> <p>Senate Bill 900 is codified as Civil Code §§ 4775, 5550 and 5610. Effective January 1, 2025.</p>
<p>Contractor exemptions: \$500 limit for unlicensed contractor work raised to \$1000</p>	<p>The contractors licensing law does not apply when the aggregate contract price for labor, materials, and all other items on a work or operation on one project or undertaking is less than \$1000 and the construction does not require a building permit or employing another person to perform, or to assist in performing, the work or operation.</p> <p>A person who is not licensed pursuant to the contractors licensing law may advertise for construction work or a work of improvement as long as the aggregate contract price for labor, material, and all other items on a project or undertaking is less than \$1,000 and the person states in the advertisement that the person is not licensed as a contractor.</p> <p>This exemption does not apply when the work of construction is only a part of a larger or major operation, whether undertaken by the same or different contractor, or in which a division of the operation is made in contracts of amounts less than \$1000 for the purpose of evasion of the licensing law. Neither does the exemption apply to a person who employs another person to perform, or assist in performing, the work or operation.</p> <p>Assembly Bill 2622 is codified as Business and Professions Code §§ 7027.2 and 7048. Effective January 1, 2025.</p>
<p>Disclosures: Seller’s</p>	<p>A seller who received domestic water storage tank assistance or is</p>

receipt of domestic water storage tank assistance

aware that the real property received such assistance, and the real property currently still has the domestic water storage tank, shall deliver to the prospective buyer a disclosure statement. The disclosure required under this law relates to the circumstance where a seller's private water well went dry, or was destroyed, due to drought, wildfire, or other natural disaster and the seller received a specific type of assistance.

This is a TDS-related disclosure subject to all TDS applications, exemptions and statutory termination rights. The Seller Property Questionnaire will be revised to meet this disclosure requirement.

Background: In 2020, Senate Bill 513 authorized the State Water Resources Control Board to provide grants offering interim relief to households in which a private water well went dry, or was destroyed, due to drought, wildfire, or other natural disaster. The assistance was made available to households indirectly through programs administered by counties, community water systems, non-profits or local public agencies.

All of the disclosure requirements of this law relate to assistance received under this program and is referred to in the law as assistance "pursuant to Section 13194 of the Water Code."

This new law requires:

On or after January 1, 2025, a seller of any real property who received domestic water storage tank assistance pursuant to Section 13194 of the Water Code, or is aware the real property received such assistance and the real property currently still has the domestic water storage tank, shall deliver to the prospective buyer a disclosure statement that includes all of the following information in substantially the following form:

- This property has a domestic water storage tank provided by a county, community water system, local public agency, or nonprofit organization.
- The domestic water storage tank was made available to households that had a private water well that had gone dry, or had been destroyed due to drought, wildfire, other natural disasters, or was otherwise nonfunctioning.
- The domestic water storage tank provided might not convey with the real property.
- Due to the water well issues that led to this property obtaining assistance, the buyer is advised to have an inspection of the water well and to have a professional evaluate the availability of water to the property to ensure it suits the purposes for which the buyer is purchasing the property.

TDS-Related Disclosure

Disclosures under this law are subject to the same application, exemptions and statutory termination rights as the Transfer Disclosure Statement. This disclosure applies to residential real property improved with one to four dwelling units and mobilehomes. Among other exemptions, sales of property in probate, bankruptcy, foreclosure, REOS and certain trusts are exempt. A buyer may terminate the purchase agreement within five days of delivery of this disclosure (or three days if delivered personally). Questions pertaining to this disclosure requirement will be integrated into the Seller Property Questionnaire (C.A.R. Form SPQ).

[Senate Bill 1366](#) is codified as California Civil Code §1102.156. Effective January 1, 2025.

Disclosures: Local requirements relating to replacement of gas-powered appliances; Electrical system inspection

On or after January 1, 2026, a seller if aware of the requirements must disclose the existence of any state or local requirements relating to replacement of existing gas-powered appliances that are being transferred with the property. The disclosure must be made if either the seller or the agent is aware of these requirements. This law also requires a statutory notice advising the buyer to obtain an inspection of the electrical system.

This is a TDS-related disclosure which applies to the sale of residential 1 to 4 property and mobilehomes subject to all TDS applications, exemptions and statutory termination rights. The Seller Property Questionnaire will be revised to meet this disclosure requirement.

On or after January 1, 2026, the seller of a residential property improved with one to four dwelling units or a mobilehome shall disclose, in writing, the existence of any state or local requirements or restrictions relating to the future replacement of existing gas-powered appliances that are being transferred with the property to the extent they or their agent are aware of those requirements or restrictions. For purposes of this section, “gas-powered appliance” includes, but is not limited to, appliances fueled by natural gas or liquid propane.

Additionally, on or after January 1, 2026, a statutory notice as follows must be delivered to a prospective buyer:

“In a purchase of real property, it may be advisable to obtain an inspection by a qualified professional of the electrical system(s) of any buildings, including, but not limited to, the main service panel, the subpanel(s), and wiring. Substandard, recalled, or faulty wiring may cause a fire risk and may make it difficult to obtain property insurance. Limited electrical capacity may make it difficult to support future electrical additions to the

	<p>building(s), such as solar generation, electric space heating, electric water heating, or electric vehicle charging equipment.”</p> <p>Exception: The statutory notice is not required for the sale of a building within three years of the issuance of the certificate of occupancy for the building.</p> <p>TDS-Related Disclosure</p> <p>Disclosures under this law are subject to the same application, exemptions and statutory termination rights as the Transfer Disclosure Statement. This disclosure is required for residential real property improved with one to four dwelling units or a mobilehome. Among other exemptions, sales of property in probate, bankruptcy, foreclosure, REOS and certain trusts are exempt. A buyer may terminate the purchase agreement within five days of delivery of this disclosure (or three days if delivered personally). Questions pertaining to this disclosure requirement will be integrated into the Seller Property Questionnaire (C.A.R. Form SPQ).</p> <p>Senate Bill 382 is codified as Civil Code §§ 1102.6i and 1102.6j. Provisions are applicable on or after January 1, 2026.</p>
<p>Fair Housing: Adds race inclusive of traits associated with race such as certain hairstyles to the Unruh Act</p>	<p>The Unruh Act which prohibits discrimination in all business establishments is expanded to include within the definition of race traits associated with race such as protective hairstyles, including braids, locs and twists.</p> <p>Existing Law: In 2019 the Fair Employment and Housing Act was amended to prohibit discrimination on the basis of traits historically associated with race including hair texture and protective hairstyles including but not limited to hairstyles such as braids, locs and twists. FEHA covers discrimination in the workplace and housing but does not cover business establishments generally.</p> <p>New Law: The Unruh Act is expanded by defining the term race to include traits associated with race, including, but not limited to, hair texture and protective hairstyles. The Unruh Act entitles all persons to full and equal accommodations, advantages, facilities, privileges, or services in all business establishments of every kind whatsoever.</p> <p>Assembly Bill 1815 is codified as Civil Code § 51, Education Code § 212.1 and Government Code § 12926. Effective January 1, 2025.</p>
<p>Fair Housing:</p>	<p>This law recognizes the concept of intersectionality in civil rights law,</p>

<p>Discrimination may include a combination of protected characteristics</p>	<p>meaning, discrimination may be based on a single, individual characteristic or on the basis of a combination of two or more protected characteristics.</p> <p>For purposes of the Unruh Act and the California Fair Employment and Housing Act discrimination based on specified characteristics is illegal whether based upon</p> <ul style="list-style-type: none"> • Any particular characteristic or based on any combination of those characteristics, or • A perception that the person has any particular characteristic or characteristics within the listed categories or any combination of those characteristics, or • A perception that the person is associated with a person who has, or is perceived to have, any particular characteristic or characteristics, or any combination of characteristics, within the listed categories. <p>Purpose of this law: It is the intent of the legislature to recognize the concept of intersectionality in California civil rights laws. Intersectionality is an analytical framework that sets forth that different forms of inequality operate together, exacerbate each other, and can result in amplified forms of prejudice and harm. The provisions of this law are declarative of existing law.</p> <p>Senate Bill 1137 is codified as Civil Code§51, Education Code§§200 and 210.2, and Government Code§§12920 and 12926.</p>
<p>Foreclosure: Places 90-day delay on “surplus fund chasers” solicitations and extends liability protection to trustees responding to request for payoff amounts</p>	<p>Prohibits a person from contacting, soliciting, or initiating communication with an owner to claim the surplus funds from a foreclosure sale of the owner’s residence before 90 days after the trustee’s deed has been recorded.</p> <p>In addition to other protections, the trustee will not incur liability for any good faith error resulting from reliance on information provided in good faith by the beneficiary regarding requests for payoff or reinstatement information.</p> <p>This law makes numerous other technical changes regarding the foreclosure process.</p> <p>90-day delay on surplus chasers</p> <p>After all lienholders and other costs are paid, the prior owner of a foreclosed property will be entitled to any surplus funds. AB 295 seeks to protect those persons following a trustee's sale from individuals who are attempting to take advantage of the foreclosure process. Existing law already requires a trustee to distribute all surplus funds following a trustee's sale to the borrower and anyone else who is entitled to those funds. Known</p>

as "surplus fund chasers", there are companies which seek out these borrowers and others by offering to assist in acquiring surplus funds, oftentimes at 25% to 40% of their entitled amount. AB 295 seeks to restrict these surplus fund chasers from seeking to contact a borrower and others until 90 days after the trustee's deed has been recorded. This 90-day delay will allow trustees to find the appropriate individuals entitled to these funds and distribute these funds without them having to pay exorbitant fees.

Trustees Liability in responding to payoff requests

Trustees already have some protection from liability in performing acts pertaining to the exercise of a power of sale under a mortgage or deed of trust. AB 295 adds that in responding to requests for payoff or reinstatement information, the trustee shall not incur liability for any good faith error resulting from reliance on information provided in good faith by the beneficiary regarding the nature and the amount of the default under the secured obligation, deed of trust, or mortgage, nor will a trustee be subject to liability as a debt collector per the California Fair Debt Collection Practices Act (Civil Code 1788 et seq.).

[Assembly Bill 295](#) is codified as Civil Code §§ 2924, 2924c, 2924h, 2924m, 3273.10 and 2924.21. This is an urgency statute. Effective July 19, 2024.

Landlord-Tenant: Expands the law re the landlord's duty to change the locks upon request of a victim of abuse

Under existing law when a tenant is a victim of abuse, the landlord must change the locks upon written request within 24 hours after receiving appropriate documentation. If the person alleged to have committed the abuse is a tenant in the same dwelling unit, then a court order excluding that person from the dwelling would be necessary. If not, then various types of supporting documentation would be acceptable.

This new law clarifies that the landlord is responsible for the cost of changing the locks; extends the lock change protection to immediate family or household members of a tenant; expands the acceptable supporting documentation of abuse or violence triggering the lock change protection; and prohibits a landlord from taking adverse action against a prospective tenant because of their use of the lock change protection.

Senate Bill 1051 adds to the existing duty of the landlord to change locks upon request as follows:

- **Landlord to bear costs:** Clarifies that a landlord is responsible for paying the cost of changing the locks which must be done within 24 hours of receiving appropriate documentation. If the landlord does not change the locks within 24 hours, the tenant may do so without the landlord's permission, regardless of any lease term to the contrary, and the landlord is to reimburse the tenant for that cost within 21 days.

- **Immediate family or other household members are protected:** Expands the category of eligible tenants to include an immediate family or household member of a tenant so that an immediate family or household member of a tenant, who is the victim of abuse or violence, is entitled to the lock-change protections.
- **Expands range of documentation that qualifies:** Expands the acceptable supporting documentation substantiating the lock-change request to include documentation from a qualified third party acting in their professional. A form template is written into the law that may be used for this purpose. Additionally, acceptable supporting documentation substantiating the lock-change request includes any other form of documentation that reasonably verifies that the abuse or violence occurred, including, but not limited to, a signed statement from the eligible tenant
- **Tenant Screening:** Prohibits a landlord or a landlord’s agent, when screening a prospective tenant, from taking an adverse action (such as denying the rental application) based on the following: a) An allegation that the prospective tenant breached a lease stemming from an act of abuse or violence against the tenant. b) The prospective tenant having previously requested to have their locks changed because of abuse or violence. c) The prospective tenant having been a victim of abuse or violence. d) The prospective tenant, or a guest of the prospective tenant, having previously summoned law enforcement assistance or emergency assistance, as, or on behalf of a victim of abuse, a victim of crime, or an individual in an emergency. **Penalties:** If a landlord or their agent makes a prohibited adverse action when screening a prospective tenant, they are liable for actual damages, statutory damages between \$100 and \$5,000, and any other remedy provided by law.

[Senate Bill 1051](#) is codified as Civil Code §§1941.6 and 1946.9. Effective January 1, 2025.

Landlord/Tenant:
Application screening fee
and application process

Prohibits the practice of charging an application fee from a prospective tenant unless the landlord or agent knows or should have known that a unit is available or will be available within a reasonable period of time.

Authorizes a landlord to charge an application fee under limited circumstances:

1) Either the landlord adopts an application screening process whereby all completed applications are considered, as provided in the landlord's written, disclosed screening criteria, in the order the applications were received, or

2) The landlord agrees to return the fee to any applicant who is not selected for tenancy.

Credit reports must be provided to the applicant if a screening fee is

paid, regardless of whether the applicant has requested it.

Application: This law applies to all residential tenancies of more than 30 days

First, Assembly Bill 2493 prohibits a landlord or their agent from charging an application screening fee when they know or should have known that no rental unit is available at that time or will be available within a reasonable period of time.

Comment: This provision does not prohibit a landlord from placing prospective tenants on a waiting list but prevents the landlord from charging an application fee unless they actually have, or within a reasonable period of time will have, a unit available.

Second, this bill permits a landlord to charge an application fee only if they adhere to either of the following procedures:

1. Either the landlord or their agent returns the entire screening fee to any applicant who is not selected for tenancy, regardless of the reason, within seven days of selecting an applicant for tenancy or within 30 days of when the application was submitted, whichever occurs first.

Or

2. The landlord adopts an application screening process whereby:
 - All completed applications are considered, as provided in the landlord's written, disclosed screening criteria, in the order the applications were received. The screening criteria must be provided with the application.
 - The first applicant who meets the landlord's established screening criteria is approved for tenancy.
 - The applicant is not charged an application fee unless their application is actually considered.
 - A landlord or agent that inadvertently collects a screening fee does not violate this law as long as a refund is issued within seven days to any applicant whose application is not considered. Or the landlord may offer, as an alternative to a refund, the option of having the screening fee applied to another rental unit being offered by the landlord. However, if a landlord denies an applicant because the applicant does not meet the established, disclosed screening criteria, then the landlord is not required to refund the application fee.

Comment: If the agent or landlord intends to take an application screening

fee following criteria 2 above, then this law requires that they adopt a screening criterion in writing and provide it along with the application.

Third, when an applicant has paid an application screening fee, a landlord or their agent is required to provide a copy of the consumer credit report regardless of whether the applicant has requested it within seven days of the landlord or agent receiving the report.

[Assembly Bill 2493](#) is codified as California Civil Code §1950.6. Effective January 1, 2025.

Landlord/Tenant:
Tenant may request positive credit reporting

Requires residential landlords to offer each tenant obligated on a lease the option of having the tenant's positive rental payment information reported to at least one nationwide consumer reporting agency.

Exempts small, non-corporate landlords

Exempts any landlord of a residential rental building that contains 15 or fewer dwelling units, unless that landlord owns more than one residential rental building and is either a real estate investment trust, a corporation, or a limited liability company with at least one member corporation.

Background:

Many Californians who do not possess a robust credit history do have a history of paying rent on time. But that information does not show up on their credit reports and does not help their credit scores. This measure attempts to solve that problem by giving tenants the opportunity to have their positive rental payment information reported to consumer reporting agencies, adding to their credit history.

For leases entered into on and after April 1, 2025, the offer of positive rental payment information reporting must be made at the time of the lease agreement and at least once annually thereafter,

For leases outstanding as of January 1, 2025, the offer of positive rental payment information reporting must be made no later than April 1, 2025, and at least once annually thereafter.

A tenant may submit the tenant's completed written election of rent reporting at any time after the tenant receives the offer of positive rental payment information reporting from the landlord.

A tenant who elects to have positive rental payment information reported may subsequently request to stop that reporting. However, a tenant who stops positive rental payment information reporting may not elect reporting again for at least 6 months.

A landlord may charge a tenant the lesser of \$10 per month or the actual cost to the landlord to provide the service, unless the landlord does not incur any actual cost to provide positive rental payment reporting. A landlord cannot terminate a tenancy on the basis of non-payment of the rent reporting charge.

[Assembly Bill 2747](#) is codified as Civil Code §1954.07. Effective January 1, 2025.

Landlord/Tenant: Security deposit; Move-in and move-out photos

Requires residential landlords to take move-in, move-out and post-repair and cleaning photos demonstrating deductions.

Deductions for cleaning and damages must be “reasonably necessary” to return property back to its initial condition. Professional carpet cleaning, and the cost of materials and charges for work performed for repairs is specifically cited as subject to this rule.

Move-in, Move-out and post-repair and cleaning photos required:

- **Beginning April 1, 2025**, the landlord is required to take photographs of the unit within a reasonable time after the possession of the unit is returned to the landlord, but prior to any repairs or cleaning for which the landlord will make a deduction from or claim against the security deposit pursuant to this section *and*
- The landlord is also required to take photographs of the unit within a reasonable time after such repairs or cleanings are completed.
- **For tenancies that begin on or after July 1, 2025**, the landlord is required to take photographs of the unit immediately before, or at the inception of, the tenancy.

In returning the itemized statement of deductions, if a deduction is made for repairs or cleaning, the landlord shall

- Provide the photographs including the move-in, move-out and post repair and cleaning photos,
- Along with a **written explanation** of the cost of the allowable repairs or cleanings.
- The landlord may provide such photographs to the tenant by mail, email, computer flash drive, or by providing a link where the tenant may view the photographs online.

- The landlord shall not be entitled to claim any amount of the security if the landlord, in bad faith, fails to comply with these requirements.

Permissible charges for repairs and carpet cleaning if “reasonably necessary”: The landlord may not claim deductions from the security for damage or defective conditions that preexisted the tenancy or for ordinary wear and tear.

- Claims for materials or supplies and for work performed by a contractor, the landlord, or the landlord’s employee shall be limited to a reasonable amount necessary to restore the premises back to the condition it was in at the inception of the tenancy, exclusive of ordinary wear and tear.
- The landlord shall not require a tenant to pay for or assert a claim against the tenant or the security for, professional carpet cleaning or other professional cleaning services, unless reasonably necessary to return the premises to the condition it was in at the inception of tenancy, exclusive of ordinary wear and tear.

Comment: The security deposit law already included the prohibition against making deductions from the security deposit unless “reasonably necessary” for the purposes specified in the law. These provisions reiterate the “reasonably necessary” prohibition but specifically in regard to charges for materials and work and claims for professional carpet cleaning or other professional cleaning services.

[Assembly Bill 2801](#) is codified as Civil Code §1950.5. Effective January 1, 2025.

Landlord/Tenant:
No charges for notices of termination;
Restrictions on charging service members a higher deposit

Prohibits a landlord for charging a fee for serving or delivering any type of termination notice, such as a notice to pay rent or quit or a no-fault notice of termination. A landlord is also prohibited from charging tenants a fee for paying for rent or a security deposit by check.

If the landlord charges a higher security deposit for service members due to credit factors, a written statement must be provided explaining the reason for the higher amount, along with a provision in the lease regarding the return of the extra security after six months.

Prohibitions against charging for termination notices and payment by check

Prohibits a landlord for charging a fee for serving or delivering any type of termination notice. These would include a notice to pay rent or quit, notice to perform covenant or quit, a non-curable notice to quit, a no-fault notice of termination, or any other type of notice that terminates tenancy.

	<p>Additionally, a landlord is also prohibited from charging tenants a fee for paying for rent or a security deposit by check.</p> <p><u>Service member protections when charging higher than standard or advertised security deposit</u></p> <p>On or after April 1, 2025, if a landlord or its agent charges a service member who rents residential property a higher than standard or advertised security due to the credit history, credit score, housing history, or other factor related to the tenant, the landlord shall provide the tenant with a written statement, on or before the date the lease is signed, of the amount of the higher security and an explanation why the higher security amount is being charged.</p> <p>The additional amount of security shall be returned to the tenant after no more than six months of residency if the tenant is not in arrears for any rent due during that period. The date for return of the additional amount of security shall be included in the lease agreement.</p> <p>Senate Bill 611 is codified as Civil Code §§ 1946, 1946.1, 1947.3, and 1950.5 and Code of Civil Procedure § 1161. Effective January 1, 2025.</p>
<p>Landlord/Tenant: Unlawful detainer answer time periods extended</p>	<p>Extends the time for a defendant to file a response, such as an answer, from five business days to ten business days after an unlawful detainer complaint and summons is served.</p> <p>At the same time, this law also shortens the timeline that applies to a type of motion a tenant attorney often files to delay the eviction, called a demurrer, which is a specific category of motion to dismiss the case. AB 2347 will change the timeline for these motions, subjecting them to the same expedited timeline that other motions in unlawful detainer cases follow, which will help reduce delays in the eviction process.</p> <p>Comment: In 2018, the unlawful detainer law was amended to exclude Saturdays, Sundays and other judicial holidays in counting a three-day notice to pay rent or quit (AB 2343). That same bill also excluded Saturdays and Sundays in counting the five-day answer period after service of an unlawful detainer complaint and summons. That five-day answer period is now 10 days under AB 2347.</p> <p>Assembly Bill 2347 is codified as Code of Civil Procedure 1167 and 1170. Effective January 1, 2025.</p>
<p>Landlord/Tenant: Certain</p>	<p>This law extends to small businesses (“qualified commercial tenants”)</p>

tenant rights extended to small commercial tenants

certain tenancy rights currently applicable to residential tenancies as follows:

- **30 and 90-day notice to increase rent**
- **30 and 60-day notice to terminate tenancy without fault and**
- **Translated copy of the lease if negotiated in specified languages**

Additionally, transparency and proportionality are required for fees a landlord may charge a qualified commercial tenant to recover building operating costs.

Application to “qualified commercial tenants”

This law applies to a qualified commercial tenant defined as a tenant of commercial real property that meets both of the following requirements:

1. The tenant is a microenterprise (which generally means that the business has 5 or fewer employees); a restaurant with fewer than 10 employees; or a nonprofit organization with fewer than 20 employees.

AND

2. For month-to-month periodic tenancies or shorter, the tenant has provided the landlord, within the previous 12 months:
 - A written notice that the tenant is a qualified commercial tenant and
 - A self-attestation regarding the number of employees

For leases or longer periodic tenancies, the tenant has provided the notice and self-attestation before or upon execution of the lease, and annually thereafter.

Rent Increases: 30 and 90-day notice

For a qualified commercial tenant, for month-to-month tenancies (or a shorter period), rent increases of 10% or less require a 30-notice. Rent increase of more than 10% counting all increases within the previous 12 months require a 90-day notice.

Additionally, landlords of “commercial real property” must include in the notice to increase rent information on the provisions of Civil Code§827(b) re rent increases and qualified commercial tenants.

Translated copy of the lease or rental agreement

- For qualified commercial tenants, a translated copy of the lease or rental agreement must be delivered before signing when:
- The agreement is negotiated primarily in Spanish, Chinese, Tagalog, Vietnamese, or Korean.
- Entering into a lease or rental agreement on or after January 1, 2025, and
- Covering a non-residential zoned commercial space
- The “own interpreter” exemption does NOT apply

If translated copy is not provided, the qualified commercial tenant may rescind the lease or rental agreement. Waivers of these rights are void and unenforceable.

Presumption of month-to-month renewal

After expiration of the lease, qualified commercial tenancies are presumed to be renewed on a month-to-month basis when the lessor accepts rent from the tenant while the tenant remains in possession when rent is payable monthly.

30 and 60-day notices to terminate tenancy without fault

A 30-day notice (at a minimum) to terminate a month-to-month rental without fault is required when a qualified commercial tenant has occupied the property for less than one year. Otherwise, a 60-day notice (at a minimum) is required.

Additionally, a landlord of “commercial real property” must include in the termination notice information on the provisions of Civil Code §1946.1 explaining the above rules.

Transparency and proportionality are required for fees a landlord may charge a qualified commercial tenant to recover building operating costs.

SB 1103 prohibits a landlord of a commercial real property from charging a qualified commercial tenant a fee to recover building operating costs unless the costs are allocated proportionately per tenant and the qualified commercial tenant is provided supporting documentation (along with several other conditions that must be met).

- A violation of these provisions may be an affirmative defense in an action to recover possession based on a failure to pay the fee.

	<ul style="list-style-type: none"> • A landlord of a commercial real property who violates this provision would be liable to a qualified commercial tenant for specified damages including actual, punitive, triple and attorney fees. • A waiver of these protections is void and unenforceable. • The district attorney, city attorney, or county counsel are authorized to seek injunctive relief. <p>Senate Bill 1103 is codified as Civil Code §§ 827, 1632, 1946.1 and 1950.9. Effective January 1, 2025.</p>
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<p>Listing Agreements and Foreclosure: Delivery of listing agreement extends foreclosure sale by 45 days.</p>	<p>When foreclosing on residential 1 to 4 property, this law requires an additional 45 days beyond the scheduled date of sale if the trustee receives a listing agreement from the trustor at least 5 business days before the scheduled date of sale. There is an additional postponement right based on obtaining an executed purchase agreement.</p> <p>Prohibits the trustee from selling the property at the initial trustee’s sale for less than 67% of the amount of that fair market value of the property.</p> <p><u>45- day postponement based on listing</u></p> <p>For residential 1 to 4 properties subject to power of sale contained in any deed of trust or mortgage, the sale shall not be conducted until the expiration of an additional 45 days following the scheduled date of sale when:</p> <ul style="list-style-type: none"> • The trustee receives five business days prior to the scheduled date of sale • A listing agreement • With a California licensed real estate broker • To be placed in a publicly available marketing platform • Sent by certified mail with USPS or other overnight mail courier service • With tracking information that confirms the recipient’s signature and date and time of receipt and delivery • This postponement may be used only one time <p><u>45- day postponement based on receipt of executed purchase agreement</u></p> <p>If the scheduled date of sale has been postponed in the above manner the trustee shall postpone the scheduled date of sale for 45 days following receipt of an executed purchase agreement when:</p>
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- The trustee receives five business days before the scheduled date of sale
- A copy of a purchase agreement for sale of the property
- Purchase agreement must be bona fide and fully executed
- Must include name of buyer, sales price, closing date and acceptance by the designated escrow agent
- Purchase price must be equal to or greater than the amount of the unpaid balance of all obligations of record secured by the property
- Sent by certified mail with USPS or other overnight mail courier service
- With tracking information that confirms the recipient's signature and date and time of receipt and delivery
- This postponement may be used only one time

Requirement of fair market value

With respect to residential real property containing no more than four dwelling units that is subject to a power of sale contained in a first lien deed of trust or mortgage, the trustee is prohibited from selling the property at the initial trustee's sale for less than 67% of the amount of that fair market value of the property. If the property remains unsold after the initial trustee's sale, it is required that the trustee postpone the sale for at least 7 days and is authorized that the property to be sold thereafter to the highest bidder. The beneficiary, or authorized agent shall provide to the trustee a fair market value of the property at least 10 days prior to the initially scheduled date of sale.

Comment: Under California law, the time from when a Notice of Default is recorded to the scheduled trustee's sale is approximately 110 days. Since 2021, for properties subject to the Real Estate Settlement Procedures Act (RESPA) the earliest a Notice of Default can be filed is 120 days after the loan becomes delinquent. With this latter requirement, the total time a borrower has from default to the date of sale is 230 days for properties subject to RESPA.

In addition to the 230-day timeline indicated above, AB 2424 may add up to 85 more days to the foreclosure process as follows: Delivery of a listing to the trustee five business days prior to date of sale will give the borrower 45 more days beyond the scheduled date of sale. And delivery of an executed purchase agreement five business days prior to the date of sale may effectively add another 40 days (not 45 days since the second postponement is calculated from the time the trustee receives the purchase agreement). See our [Foreclosure Timeline chart](#).

	<p>Assembly Bill 2424 is codified as Civil Code §§2923.5, 2923.55, 2924f and 2932.2. Effective January 1, 2025.</p>
<p>Loan Fraud: predatory lending</p>	<p>Defines criminal mortgage fraud to include acts by a mortgage loan broker or any person who originates loans to include misleading a borrower into signing a business loan when the borrower intended the loan to be for consumer purposes or signing for a bridge loan when the loan will not be used to acquire or construct a new dwelling.</p> <p>AB 3108 expands the scenarios in which a person could be charged with mortgage fraud to include situations like the above. In these cases, the mortgage broker uses misleading documentation to help deliver the predatory loan to the borrower, including a signed "declaration of non-owner occupancy." AB 3108's changes to the Penal Code apply to brokers and mortgage originators. The sponsor of this bill argues this is necessary because the existing provisions related to mortgage fraud may not be used to consider fraud originating from these entities. See the bill analysis.</p> <p>Assembly Bill 3108 is codified as Financial Code §4973 and Penal Code §532f. Effective January 1, 2025.</p>
<p>Mobilehomes: UD masking rules extended to mobilehome park tenancies</p>	<p>Extends unlawful detainer masking rules to tenancies within a mobilehome park.</p> <p>How the UD masking rules work: For 60 days after an unlawful complaint is filed, only specified persons are allowed access to case records, including the court file, index, and register of actions, for limited civil cases. However, after 60 days access must be given to the public generally if judgment against all defendants has been entered for the plaintiff within 60 days of the filing of the complaint.</p> <p>Existing law exempts from these requirements records in a case that seeks to terminate a tenancy in a mobilehome park if the complaint caption clearly indicates such.</p> <p>AB 2304 would delete the exemption for access to case records for cases that seek to terminate a tenancy in a mobilehome park.</p> <p>Assembly Bill 2304 is codified as Code of Civil Procedure §1161.2. Effective January 1, 2025.</p>
<p>Probate: Raises the limit of the small-estate exception, which allows for the distribution of estate assets outside of probate, to \$750,000</p>	<p>A decedent's real property used as a primary residence may be disposed of outside of probate administration when the gross value does not exceed \$750,000. In lieu of probate administration, a successor may petition the court to determine succession. This increased limit will be in effect for the period starting April 1, 2025, through March 31, 2028, after which the value would be adjusted at a three-year</p>

interval based on the Consumer Price Index.

If a decedent dies leaving real property that was their primary residence in this state and the gross value of that real property does not exceed \$750,000, as adjusted periodically, and 40 days have elapsed since the death of the decedent, the successor of the decedent to an interest in that real property, without procuring letters of administration or awaiting the probate of the will, may file a petition in the superior court of the county in which the estate of the decedent may be administered requesting a court order determining that the petitioner has succeeded to that real property.

A successor who files this petition shall deliver a notice of the petition to each heir and devisee named in the petition.

Comment: This law raises the current small estate exception from \$184,500 (when decedents passed after April 1, 2022) to \$750,000, but only as to real property that was the decedent’s primary residence. This small estate exception previously applied to any type of real property including commercial, vacant land or any type of residential property, but is now eliminated for those types of properties.

The author of the bill states that, “an increase in the small estate value threshold to \$750,000 [will] protect the financial security of low- and middle-income heirs, ensuring they can utilize the expedited probate process and safeguard their family homes and assets.” See the [bill analysis](#) describing the reasons for this law in detail.

[Assembly Bill 2016](#) is codified as Probate Code §§ 13100, 13101, 13150, 13151, 13152 and 13154. Effective January 1, 2025.

Swimming pool and spa safety requirements for single family properties

Updates the pool and spa safety requirements for single family properties.

Revises the requirement for a home inspection of real property with a swimming pool or spa to include in the inspection report the drowning prevention safety features and note if they are in good repair, operable as designed, and appropriately labeled.

Pool safety features updated: Since 1998, when a building permit is issued for the construction of a new swimming pool or spa or the remodeling of an existing swimming pool or spa at a private single-family

home, the respective swimming pool or spa must be equipped with one of five specified safety features. For properties constructed or remodeled on or after 2007, the requirement is for the pool or spa to be equipped with at least two of seven drowning prevention safety features. SB 552 revises the elements of three specific drowning prevention safety features including removable mesh fences, pool safety covers, and alarms.

Home inspection requirements revised: Presently a home inspector providing a home inspection report in a dwelling with a pool or spa, must identify which, if any, of the seven drowning prevention safety features the pool or spa is equipped with and shall specifically state if the pool or spa has fewer than two of the listed drowning prevention safety.

This law updates the requirements of a home inspection to allow that the noninvasive examination of the pool or spa does not require a determination as to whether the pool or spa safety features meets the specifications for pool or spa safety features as specified in the HSC, but does require the home inspection report to identify whether the features are in good repair, operable as designed, and appropriately labeled, if required. It also requires labels be affixed to specified pool and spa safety features verifying that they meet certain standards.

[Senate Bill 552](#) is codified as Business and Professions Code § 7195 and Health and Safety Code §§ 115921, 115922, and 115925. Effective January 1, 2025.

Region 6 Regional Representative Committee Report

Name

Sally Han

NRDS #

14950319

Association

Bridge Association

Email

sally@eastsidewest.com

Phone

(510) 610-5009

Committee

Strategic Planning and Finance

Meeting Day/Time

Wed 8-11:30, Thursday 10-11

Action Items

The 2025 budget was presented and passed.

Discussion Items

The one item that was sent back to task force was the motion to reduce in person C.A.R. Board Meetings from 3 to 2 with the third as a possible "as needed" via zoom or ?"

This motion was amended and passed to be evaluated by a new task force. Members were invited to reach out if they are interested in being involved.

Personal Note: This is my last meeting for now. Thank you Region 6 for the privilege of 13 years of serving this incredible region of dedicated professionals. Getting to know and work side you all has been an honor.

Upload Attachments

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Date Completed

10/3/2024

Region 6 Regional Representative Committee Report

Name

Mike Fracisco

NRDS #

206519773

Association

Bay East

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mike@fraciscorealty.com

Phone

(925) 998-8131

Committee

Taxation and Government Finance

Meeting Day/Time

Tuesday 10/24-10 a.m.-11:30 a.m.

Action Items

1. Action Item: That CAR adopt a "Neutral" position on a state ballot proposition that will appear on the November 5, 2024 state ballot entitled Proposition 2; Authorizes bonds for Publin Schools and Community College Facilities, Legislature Statute.

Results: Approved by Committee

2. Action Item: That CAR in conjunction with NAR "Support" maintenance;the current tax exemption benefits of interest paid to investors of municipal bonds.

Results: Approved by Committee

Discussion Items

See List of Reports from Issue Chairs for Taxation Government Finance Committee

Upload Attachments**Date Completed**

10/3/2024

Region 6 Regional Representative Committee Report

Name

Janine Hunt

NRDS #

159521224

Association

Bridge

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Phone

(510) 409-6266

Committee

Transaction & Regulatory

Meeting Day/Time

Wednesday 10/25 @10-11:30am

Action Items

The mission statement was updated and approved adding property insurance and property rights. Federal Attorney Letters-LOA was asking for a support position and was voted down. Will remain in a watch position.

AB2992 RE Law-BRBC's are now required by law by ALL licensees in the state.

Discussion Items

Agency Task Force-Changes with dual/single licensee-64% of members did not feel it was not the time to create or send policy. Recommendation as follows-Informed consent notion sent to standard forms to include questions related to agency practices on one or more of its annual membership market surveys.

Please, see agenda and reports attached.

Upload Attachments

Agency Task Force Final Report.pdf

Attorney Opinion Letters IBP.pdf

Fall 2024 Transaction and Regulatory Committee Agenda.pdf

Date Completed

9/30/2024

AGENDA



Fall 2024

TRANSACTION AND REGULATORY COMMITTEE

Long Beach, CA

Wednesday, September 25, 2024

10:00 a.m. to 11:30 a.m.

MISSION STATEMENT

The committee is a policy committee. Its mission is to develop C.A.R.'s overall policy agenda as it relates to the practice of real estate. It has original jurisdiction to evaluate transactional issues, legislation, and regulation in the following areas: Licensing, Liability and Risk Management, Real Estate Finance and Transactional.

PRESIDING

Virginia Butler, Chair

Blaine Morris, Vice Chair

ISSUE CHAIRS

Sarah Glavan, Liability and Risk Management Issues Chair

Karah Shaw, License Issues Chair

Alma Porras, Real Estate Finance Issues Chair

Marnie Balog, Transactional Issues Chair

Terry Wunderlich, Property Insurance Issues Chair

Teresa Dietrich, Property Rights Issues Chair

COMMITTEE LIAISON

Staci Caplan

STAFF

Anna Buck, Senior Legislative Advocate

Matthew Roberts, Federal and Local Government Affairs Director

I. OPENING REMARKS - Virginia Butler, Chair

II. ACTION ITEMS

- A. FEDERAL: ATTORNEY OPINION LETTERS*** - Attorney opinion letters (AOLs) have been used for decades by certain states and government sponsored entities (GSE) which include Fannie Mae and Freddie Mac as an option for consumers in lieu of title insurance when making loans on real estate sales. However, the ability to use an AOL in real estate purchases has dramatically expanded in recent years. Since 2009, Fannie Mae has accepted more than 10,000 loans with AOLs with no incidents of title defect. To qualify to issue AOLs for Fannie Mae and Freddie Mac loans, attorneys and their firms must meet specific criteria (see below) outlined in the respective guidelines of Fannie Mae and Freddie Mac.

In April 2022, Fannie Mae updated its selling guide to permit lenders to obtain either a lender's title insurance policy or an attorney opinion letter (AOL) to reduce closing costs for borrowers. Most recently, in December 2023, Fannie Mae modified its rules to also expand their acceptance of AOLs for lenders who choose to accept them as a title

insurance alternative. Freddie Mac also has similar policies to Fannie Mae regarding AOLs. According to Fannie Mae, the percentage of homebuyers who have closing costs that equal or exceed their down payment hovers near 10% for first-time homebuyers and 15% for low-income buyers. On average, borrowers save over \$1,000 in closing costs when using an AOL.

THE QUESTION: Should C.A.R., in conjunction with NAR, SUPPORT Fannie Mae's and Freddie Mac's current guidelines which allow consumers the option to choose either AOLs or title insurance when available and appropriate?

III. DIRECTION REQUESTED

- A. COMMITTEE MISSION STATEMENT: UPDATE** – The Transactions and Regulatory Committee has added a Property Insurance Chair and a Private Property Rights Chair to the committee's jurisdiction since the close of the pandemic. These issue areas need to be formally added to the committee's mission statement.

Private Property Rights: The Private Property Rights Issue Chair was previously included within the Land Use Committee. Based on a recommendation contained within the Sustainability and Climate Change Task Force Final Report, the Private Property Rights Issue Chair was relocated to this committee when the Board of Directors sunset the Land Use and Environmental Committee in 2022.

Insurance: Insurance is a significant challenge for many homebuyers and homeowners statewide. This committee maintained a working group that spanned several years to address insurance issues. However, upon sunsetting the working group, C.A.R.'s Leadership Team determined that the issue required ongoing focus and attention and appointed an Issues Chair to focus on insurance within this committee.

While both Issue Chair positions exist within this committee, the committee has yet to formally amend its mission statement to reflect these changes assuming the committee wishes these two issue Chairs to remain part of the committee structure.

THE QUESTION: Should the Transactions and Regulatory Committee request that Strategic Planning and Finance update the committee's mission statement to formally add a Property Insurance and Private Property Right Vice Chairs to the committee's mission statement?

Proposed Committee Mission Statement: *"The committee is a policy committee. Its mission is to develop C.A.R.'s overall policy agenda as it relates to the practice of real estate. It has original jurisdiction to evaluate transactional issues, legislation, and regulation in the following areas: Licensing, Liability and Risk Management, Real Estate Finance, ~~and~~ Transactional, Property Insurance and Private Property Rights."*

- IV. AGENCY TASK FORCE (FINAL REPORT)*** - C.A.R.'s Leadership Team appointed the Agency Task Force on July 3, 2024. The Task Force was comprised of eight members who met five times since its appointment. The Task Force's mission was to examine existing law and potential policy changes to a real estate licensee's scope of practice, and they have offered two recommendations for the Board of Directors to consider, which can be found in the Task Force's Final Report, which is included within the business meeting materials.

V. UPDATES AND REPORTS

A. STATE

1. SPONSORED LEGISLATION (2024)

- a. **AB 2992 (Nguyen) – Real Estate Law: Buyer Broker Agreements** – AB 2992 requires broker and real estate licensees to have a signed buyer representation agreement in place as soon as practicable, but no later than the execution of the buyer's offer to purchase real property. The agreements must, at a minimum, contain basic terms regarding compensation, services, and options for the contract duration, which is renewable, but may not exceed three months each time they are executed.

Position: Sponsor

Status: On the Governor's Desk

2. LICENSING - Karah Shaw, License Issues Chair

- a. **AB 164 (Budget Committee) California Department of Real Estate (DRE) License Fee Increase** – In conjunction with the Governor's proposed 2024-25 state budget, DRE announced its pursuit of a license fee increase in 2024. DRE's last fee cap increase was enacted 27 years ago. According to information provided by the DRE, its expenses have gradually increased, and its budget reserves have been depleted. DRE's enforcement and administration costs now exceed the annual collection of license fees. Earlier this session, the DRE proposed a 200% increase to its fee cap and 100% increase to the base fee amount. The DRE also sought to retain its regulatory authority to increase fees up to the new fee cap without any additional safeguards. C.A.R. opposed the DRE's initial fee proposal until it was amended to limit DRE's fee cap, preserve the Legislature's authority over any future real estate license fee increases and added transparency in the department's fee structure. The structure also ensures the regulated communities are given an opportunity to understand financial struggles that may emerge and necessitate a future increase to the fee cap.

Specifically, C.A.R. and DRE negotiated amendments 1) reduce the proposed fee cap by 40%; 2) require an annual hearing to report on the financial status of the department, with advanced stakeholder notice to C.A.R., among others; and, 3) mandates the department, prior to submitting a regulatory fee increase proposal, to conduct at least one meeting with affected stakeholders with prior advanced notice to ensure stakeholder participation.

Position: Neutral

Status: Signed into law by the Governor

3. INSURANCE - Terry Wunderlich, Property Insurance Issues Chair

- a. **AB 2260 (Calderon) California FAIR Plan Association** – AB 2660 would have required the FAIR plan to provide quarterly updates to the Assembly and Senate Insurance Committees, the Insurance Commissioner, and the public via FAIR plan's website. The measure also required insurance brokers, prior to FAIR Plan policy renewal to determine if the properties insurance policy could be voluntarily moved to a market insurance company.

Position: Favor

Status: Died in the Senate Insurance Committee

- b. **California Department of Insurance (DOI) Regulatory Hearing: Catastrophic Modeling and Rate Filings** – Currently, insurers are only allowed to utilize historical data in their rate filings and have stated that it is essential due to climate change and increased risk of catastrophic risk events to be able to utilize forward looking catastrophic risk modeling in their rate filings. The DOI recently released new regulations to allow insurers to use forward-looking catastrophic rate modeling, intended to create more private market insurance availability in the state. The regulation has received strong public support in two prior workshop hearings. California is the only state that does not permit insurers to use some form of such modeling.

Position: Favor

Status: Pending Public Comment Hearing (Scheduled for September 17, 2024)

4. LIABILITY AND RISK MANAGEMENT - Sarah Glavan, Liability and Risk Management Issues Chair

- a. **AB 2004 (Petrie-Norris) Document Recordation “Clean-Up” for SB 696, Statutes 2023** – Signed into law last year, SB 696 (Portantino) establishes a licensing system for remote online notarization platforms (RON) and included a delayed implementation to provide the Secretary of State time to establish the necessary systems to enable the licensing programs. AB 2004 will ensure that notaries can certify a tangible copy of an electronic record. This clarification ensures that notaries can transmit an accurate reproduction of the electronic record to county recorders who will, if AB 2004 is enacted, be required to accept a tangible copy of an electronic record if the document has been certified by a notary.

Position: Support

Status: On the Governor’s Desk

- b. **AB 2230 (Bennett) Residential Housing Unfair Practices Act of 2023** – C.A.R. opposed AB 2230 which sought to explicitly add residential housing (i.e., development, lease, rental, and sale) to the state’s anti-trust law (AKA: The state’s Unfair Business Practices or Unfair Competition Law).

Position: Oppose

Status: Died in the Assembly Judiciary Committee

- c. **AB 2584 (Lee) Prohibits Ownership of 1,000+ Homes** – This measure sought to prohibit anyone from owning more than 1,000 primary (1-unit) single-family homes. As drafted the measure lacked clarity and, if enacted, could have been reduced to lower thresholds of unit ownership, thus restricting individual wealth generation opportunities and private property rights.

Position: Oppose

Status: Died in the Senate Judiciary Committee

- d. **AB 2622 (Carillo, Juan) Contractors: exemptions: advertisements** – AB 2622 allows unlicensed handypeople to advertise and perform construction work or home improvement projects without a contractor’s license, provided the price for labor and materials does not exceed \$1000 and the work does not require a

building permit.

Position: Watch

Status: On the Governor's Desk

- e. **SB 1462 (Glazer) Elimination of Liquidated Damages Cap: Real Estate Sales -** AB 1462, among other things, proposed to eliminate the 3% cap on liquidated damages for new condominium construction. The measure also would have permitted developers to use a buyer's deposit or purchase money as interest free cash to their fund project costs (i.e., construction, building code compliance, legal fees, architectural and engineering services, and other expenses incidental to the completion of the project).

Position: Oppose

Status: Died in the Senate Appropriations Committee

- f. **SB 1470 (Glazer) Developer of Liability: Construction Defect** – C.A.R. opposed SB 1470 which sought to “gut” the states construction defect law.SB 1470 proposed to eliminate current legal protections by preventing homeowners from obtaining recovery for defective construction materials and workmanship, effectively tilting the balance in California law away from protecting the homeowner to protecting the builder.

Position: Oppose

Status: Died in the Senate Judiciary Committee

5. TRANSACTION - Marnie Balog, Transactional Issues Chair

- a. **Proposed County Recording Fee Increase:** The California County Recorders Association first proposed a significant fee increase for recorded documents of concern to us and other stakeholders. After discussion, the Association proposed a more modest change which would have increased the cost to record the first page of a document to reflect the increase in the California Consumer Price Index from January 2010 to April 2024, rounded to the nearest whole dollar. In the end the Association failed to move forward with their bill, but it is likely this issue will arise again next year.
- b. **SB 1366 (Hurtado) Real property disclosure requirements: domestic water storage tank assistance** – C.A.R. initially opposed SB 1366 which would have required sellers to provide a pre-contractual water storage tank assistance disclosure to all prospective purchasers of real property when advertising or listing properties for sale. C.A.R. removed its opposition after the bill was amended to instead fold a water storage tank advisory disclosure into the current transaction process. The amendments also limit the disclosure to properties maintaining a water storage tank placed with state grant resources.

Position: Watch

Status: Signed into law by the Governor

- c. **SB 1399 (Stern) Private Transfer Fees** – C.A.R. opposed SB 1399 (Stern) until it was amended to resolve our concerns. C.A.R. sponsored AB 3041 (Cunningham, Statutes 2018) which generally banned private transfer fees (PTF's) that do not provide a direct benefit to the property. SB 1399 would have created an end-run

around the state's robust ban on PTF's by allowing PTF's to be imposed if they were agreed to prior to the ban but not imposed until after the ban. As amended, the bill makes a narrow exception for a Tejon Ranch development with a PTF agreement recorded before June 1, 2009.

Position: Watch

Status: On the Governor's Desk

6. REAL ESTATE FINANCE - Alma Porras, Real Estate Finance Issues Chair

- a. AB 3100 (Low) Mortgage Loan Assumptions in Connection with Divorce –** AB 3100 seeks to codify federal guidelines related to home mortgage loans. For co-borrowers seeking a dissolution of marriage, AB 3100 would permit one borrower to assume other borrowers' property interest if the individual qualifies and meets the lender's qualification requirements. C.A.R. supported AB 3100 which simplifies the loan assumption process and promotes homeownership stability.

Position: Support

Status: On the Governor's Desk

B. FEDERAL

1. REAL ESTATE FINANCE - Alma Porras, Real Estate Finance Issues Chair

- a. Federal Housing Administration (FHA): Approved Higher Fees for Loan Assumptions –** Late last May, FHA doubled the maximum fee amount for a loan assumption from \$900 to \$1,800. FHA noted the increase was intended to address the cost associated with processing assumptions.

Position: Monitor

Status: Adopted

- b. H.R. 3418 (Hill) and S. 1654 (Scott) Credit Access and Inclusion Act –** This measure would permit property owners and utility companies to report payment information to help households with thin or no credit files to increase their qualifications for homeownership.

Position: Support

Status: H.R. 3418: Pending in the House Committee on Financial Services / S. 1654: Pending in the Senate Committee on Banking, Housing, and Urban Affairs

- c. Consumer Financial Protection Bureau (CFPB) Acts Against Predatory Contract-for-Deed Lending Practices –** The Consumer Financial Protection Bureau (CFPB) has taken action to address predatory lending practices involving contract-for-deed transactions, also known as "land contracts" or "installment land contracts." These deals often target vulnerable communities, particularly Black, Hispanic, immigrant, and religious groups, by setting borrowers up to fail. The CFPB's actions are part of its ongoing efforts to rid the market of predatory and exclusionary home lending practices.

Position: Watch

Status: Adopted

- d. **Department of Veterans Affairs (VA): Reversal: Buyer Agent Payment Ban** - On June 11, 2024, the Department of Veterans Affairs (VA) issued Circular 26-24-14 to announce a temporary local variance that allows veterans to pay reasonable and customary buyer-broker charges when purchasing a home beginning August 10, 2024. The purpose of this temporary variance is to ensure veterans remain competitive buyers in the rapidly changing real estate market. The VA plans to develop a more permanent policy through rulemaking, but that is a longer process requiring a public comment period.

Position: Support

Status: Adopted

- e. **H.R. 7849 (Thompson) Disaster Resiliency and Coverage Act** - H.R. 7849 seeks to strengthen disaster preparedness and resilience at the household level and establishes the Individual Household Disaster Mitigation Program, mandating the President to provide grants to states and tribal governments for pre-disaster mitigation targeting high-risk households. The grant program (\$10,000 maximum per household, adjusted for inflation) are available for qualifying mitigation activities (i.e., structural improvements, flood prevention systems, fire risk reduction, and compliance with safety standards) and focused on households in disaster-prone areas with incomes below \$250,000 for single filers or \$500,000 for joint filers. Finally, payments from state mitigation programs are excluded from gross income, and taxpayers can claim a 30% credit for disaster mitigation expenditures.

Position: Support

Status: Pending in the House Committee on Ways and Means and the Committee on Transportation and Infrastructure.

- f. **Federal Housing Finance Agency (FHFA): Freddie Mac Pilot Program for Second Mortgage Purchases** - The Federal Housing Finance Agency (FHFA) granted conditional approval for Freddie Mac to initiate a limited pilot program to purchase some single-family closed-end second mortgages. The pilot aims to explore whether this new mortgage product can advance Freddie Mac's statutory purposes and benefit borrowers, particularly in rural and underserved communities.

Position: Watch

Status: Pilot Program ends 2025

- g. **H.R. 8607 (Clyburn) Department of Veterans Affairs (VA) Housing Loan Forever Act** – The “VA Housing Loan Forever Act of 2024” proposes to extend eligibility for home loans guaranteed by the Secretary of Veterans Affairs to certain veteran legacies. Specifically, the bill would allow living and deceased veterans that served between January 1, 1944, and December 31, 1977, to transfer their benefits to one or more legacies (i.e., spouses, surviving spouses, biological or legally adopted children, grandchildren, and other direct descendants) if the veteran have not used their home loan benefits.

Position: Support

Status: Pending in the House Committee on Veterans' Affairs Committee

2. LICENSING – Karah Shaw, License Issues Chair

- a. **H.R. 5419 (Walberg) Direct Seller and Real Estate Agent Harmonization Act –**
In response to the Department of Labor’s Final rule on employee and independent contractor status, NAR and C.A.R. are actively supporting H.R. 5419, the Direct Seller and Real Estate Agent Harmonization Act. This legislation aims to ensure that real estate agents maintain the freedom to choose the classification that best suits their business model.

Position: Support

Status: Pending in the House Committee on Education and the Workforce.

VI. OTHER BUSINESS

A. NAR COMMITTEE REPRESENTATIVE UPDATE

B. ANNOUNCEMENTS

VII. ADJOURNMENT

Note: *The symbol * next to an item indicates that it is accompanied by an Issues Briefing Paper contained in the committee meeting materials.*

TASK FORCE REPORT



Fall 2024

Reports to: California Association of REALTORS® Board of Directors

Information Committee: Transaction and Regulatory Committee

Information Committee: Legislative Committee

Information Committee: Executive Committee

AGENCY TASK FORCE

The Affordable Agency Task Force was appointed on July 3, 2024 with the following charge:

MISSION STATEMENT

The mission of the Agency Task Force is to examine existing law and potential policy changes to a real estate licensee's scope of practice. Specifically, the Task Force will look at existing laws, agency agreements, and representation, including the potential for limiting agency to a single licensee (i.e., eliminating the ability for a single licensee to 1) act as an agent for both a buyer and seller; and 2) act as both the agent and mortgage agent for the buyer in the same real estate transaction, etc.). The Task Force will make recommendations to C.A.R.'s Leadership Team regarding any modifications, expansions, and/or refocusing of existing law.

PRESIDING

Virginia Butler, Chair – Palos Verdes AOR - Region 21

MEMBERS

Staci Caplan, Santa Barbara AOR - Region 11

Caleb Gonzalez, Orange County REALTORS® - Region 32

Michael Gordon, Santa Clara County AOR - Region 19

Kathy Mehringer, Conejo Simi Moorpark AOR - Region 11

Blaine Morris, Marin AOR - Region 4

Lori Namazi, Orange County REALTORS® - Region 32

Cameron Platt, Bridge AOR - Region 6

Paula Swayne, Sacramento AOR - Region 3

MEETINGS

July 18, 2024

July 29, 2024

August 8, 2024

August 15, 2024

August 22, 2024

STAFF

Anna Buck, Senior Legislative Advocate

Jennifer Svec, Vice President of Public Policy and Advocacy

RECOMMENDATIONS PROPOSED FOR ADOPTION BY THE BOARD OF DIRECTORS

This is the final report of the Agency Task Force (Task Force). The Task Force makes the following report recommendations to the Board of Directors:

1. REPORT ITEM

That the Task Force requests the Standard Forms Advisory Committee to reevaluate its existing non-statutory forms related to agency representation and relationships with buyers, sellers, or buyers and sellers to ensure clarity for consumers.

Rationale for Recommendation:

As the real estate industry undergoes dynamic changes, we must ensure REALTORS® have the tools necessary to communicate their value to clients and ensure that clients are fully informed of what agency representation and relationships entail. Recent member surveys re-enforced informed consent as a vital tool for REALTORS® disclosing their duties and responsibilities to buyers and sellers in any transaction. Brokers are encouraged to manage and oversee their sales agents and can individually determine limitations to agency practice by single agents within their brokerage.

2. REPORT ITEM

That the Task Force requests C.A.R. to consider including questions related agency practice within one or more of its annual membership or market surveys.

Rationale for Recommendation:

Over 60% of REALTORS® recently surveyed support flexibility in agency representation. The Task Force believes it is vital that C.A.R. periodically survey members about agency practice to ensure the association is responsive to industry trends.

ISSUE BRIEFING PAPER



Fall 2024

Lead Committee: Transaction and Regulatory Committee

Level of Government Committee: Federal Committee

ATTORNEY OPINION LETTERS

THE QUESTION:

Should C.A.R. SUPPORT Fannie Mae's and Freddie Mac's current guidelines which allow consumers the option to choose either Attorney Opinion Letters or title insurance when available and appropriate?

ACTION REQUIRED?

Optional.

OPTIONS:

1. That C.A.R. adopt and recommend to NAR a "SUPPORT" position on the acceptance of attorney opinion letters by Fannie Mae and Freddie Mac.
2. Take no action.
3. Other.

DISCUSSION

To protect their loan, or what is referred to as the lender's title risk, lenders will require documentation or insurance to ensure there is no problem with the title to a property in a real estate transaction. Traditionally, that has been through the use of lender's title insurance policy in most of the United States and almost exclusively in California. A reminder that lender's title insurance is just to protect the lender. This discussion does not pertain to owner's title insurance which protects the owner of the property.

However, The Government Sponsored Enterprises (GSEs) have also accepted as an alternative to a lender's title insurance policy, Attorney Opinion Letters (AOLs). This is in part due to some states like Iowa where title insurance never took root and other states where the practice occurred. Attorney opinion letters are not insurance but a letter by an attorney with extensive representations by the attorney about the title chain and the property. Freddie Mac has accepted AOLs for 15 years and since 2009, Fannie Mae has purchased more than 10,000 loans with AOLs with no loss related to title issues.

The use of attorney opinion letters (AOLs) has been expanding in recent years. In April 2022, Fannie Mae began accepting AOLs as alternatives to title insurance in certain transactions and, in December 2023, they updated their guidelines to permit AOLs for additional property types. Freddie Mac also recently expanded the types of properties in which AOLs will be accepted in lieu of title insurance. Fannie Mae and Freddie Mac are not requiring lenders to accept AOLs; rather, they are merely expanding their acceptance of AOLs for lenders who choose to accept them as a title insurance alternative.

The GSEs require attorneys who write the AOL to meet specific requirements which are very detailed and expensive. Qualifications for Attorneys:

1. **Licensing and Good Standing:** Attorneys must be licensed and in good standing to practice law in the jurisdiction where the property is located. This ensures that they are knowledgeable about local laws and regulations that may affect the title.

2. **Professional Standards:** A law firm must demonstrate high professional standards and have a history of legal practice that complies with applicable legal and ethical standards. A firm's practice cannot include any substantial matters that are adverse to financial institutions, including Fannie Mae and Freddie Mac.
3. **Dedicated Staff:** The firm must have at least two full-time attorneys dedicated to default mortgage practice in each jurisdiction where they operate. This requirement helps ensure that there is sufficient expertise available to handle title-related issues effectively.
4. **Indemnification and Coverage:** The AOL must include specific language agreeing to indemnify the lender for losses resulting from breaches of duty in title examination. It should also provide gap coverage for the period between loan closing and the recordation of the mortgage, ensuring that the lender's interests are protected during this critical timeframe.
5. **Insurance Requirements:** Attorneys must be insured against malpractice in an amount that is commonly accepted in the jurisdiction. This insurance protects both the attorney and the lender in case of errors in the title opinion.

Cost to the Borrower: Traditional Title Insurance vs AOL

An AOL can be more cost-effective than a lender's title insurance policy., AOLs serve as an affordable alternative to traditional title insurance and often is used for lender title insurance related to a homeowner's refinance According to Fannie Mae, homeowners who refinance and utilize an AOL have saved over \$1,000 in closing costs when using an AOL.

Can AOLs be used in California?

Yes. There is nothing in California law that would prohibit their use in this state.

C.A.R.'S EXISTING POLICY

C.A.R. does not have policy specific to lenders accepting attorney opinion letters. C.A.R. has generally sponsored or supported legislation that would lower the cost of title insurance.

C.A.R. sponsored SB 319 (Burton) in 1997 that would have allowed the property owner or perspective property who refinances or obtains a new loan to "assume" or receive the benefit of the existing title coverage. If enacted, SB 310 would have encouraged the development of a new product, a "gap" policy, to cover the period between the policy assumed and the date of refinance or finance.

NAR POLICY

NAR does not have policy on AOLs.

Should C.A.R. SUPPORT Fannie Mae's and Freddie Mac's current guidelines which allow consumers the option to choose either Attorney Opinion Letters or title insurance when available and appropriate?