

REGION 6 DIRECTOR REPORTS



CALIFORNIA
ASSOCIATION
OF REALTORS®

2020 VIRTUAL FALL
MEETINGS



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FEDERAL

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Committee

Federal

Association

Bay East Association

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Meeting Day/Time

Oct. 7,2020 3:30pm- 4:30pm

Action Items

Two action items both coming out of Transaction and Regulatory Committee. #1) That C.A.R., in conjunction with NAR, "SUPPORT" the collection of Home Mortgage Disclosure Act (HMDA) information separately from the loan application and prohibit HMDA information from being provided to those involved in making decisions on loan approvals. 2)That C.A.R., in conjunction with NAR, "SUPPORT" the disclosure of guarantee fees similar to the disclosure of other lending fees and closing costs. 3.) Should C.A.R. support the elimination of Fannie Mae's Loan Level Price Adjustments and Freddie Mac's Credit Fees? After discussion a motion to refer back to committee was made and passed.

Discussion Items

The committee had a presentation by Shannon McGahn who is NAR's Chief Advocacy Officer. She discussed issues that NAR has dealt with recently as well as answering a few questions from the committee. Ms. McGahn was named Chief Advocacy Officer upon the retirement of Bill Malkasian and is working hard to formulate and work with Leadership on the issues most affecting real estate.

Upload Attachments

Fannie-Mae-and-freddie-Mac-Risk-Based-Pricing-IBP.pdf
292.83 KB



Guarantee-Fee-Disclosure-IBP.pdf
107.45 KB



HMDA-Disclosure-IBP.pdf
111.24 KB



ISSUE BRIEFING PAPER



Fall, 2020

Lead Committee: Transaction and Regulatory
Information Committee: Homeownership Housing
Level of Government Committee: Federal

FANNIE MAE AND FREDDIE MAC RISK BASED PRICING

THE QUESTION:

Should C.A.R. support the elimination of Fannie Mae's Loan Level Price Adjustments and Freddie Mac's Credit Fees?

ACTION REQUIRED?

Staff is seeking policy direction at this time to determine if C.A.R. should bring its policy in line with NAR's. Additionally, this issue has gotten more attention recently in light of the impact the fees are having on credit availability.

OPTIONS:

1. That C.A.R., in conjunction with NAR, "SUPPORT" eliminating Fannie Mae Loan Level Price Adjustments and Freddie Mac Credit Fees.
2. That C.A.R., in conjunction with NAR, "OPPOSE" eliminating Fannie Mae Loan Level Price Adjustments and Freddie Mac Credit Fees.
3. Take no policy.
4. Other

DISCUSSION

Background

Fannie Mae and Freddie Mac (Enterprises) guarantee payment of principal and interest on mortgage backed securities (MBS). To do this, the Enterprises charge a fee to the loan originator, known as a guarantee fee (g-fee). The lender passes this fee onto the buyer through upfront fees and increases in the buyer's interest rate. The g-fee covers the cost of the Enterprises operations, credit risk for guaranteeing the loans, and return on capital. While guarantee fees can be both upfront and ongoing, many borrowers will choose to not pay the fee at closing. In this instance, the lender will roll the upfront fee into the interest rate; thus increasing the interest rate.

Fannie Mae and Freddie Mac do not charge a single g-fee for all borrowers. Instead they have risk based pricing, Loan Level Price Adjustments for Fannie Mae and Credit Fees for Freddie Mae. Most people will simply use Loan Level Price Adjustments (LLPA) for both Fannie and Freddie. LLPA's will vary based on borrower FICO and loan-to-value (LTV). There are other LLPA's based on property type and loan type; such as second home, manufactured home, investment property, cash-out refinancing, 2-4 unit properties and others.

For the purpose of this paper, C.A.R. is focused on the FICO and LTV LLPAs. These LLPAs were introduced in 2007/2008 as a way to increase the capital of the Enterprises as the housing market was beginning to show signs of a downturn.

Table 1: All Eligible Mortgages – LLPA by Credit Score/LTV Ratio

Representative Credit Score	LTV Range									
	Applicable for all mortgages with terms greater than 15 years									
	≤ 60.00%	60.01 – 70.00%	70.01 – 75.00%	75.01 – 80.00%	80.01 – 85.00%	85.01 – 90.00%	90.01 – 95.00%	95.01 – 97.00%	>97.00%	SFC
≥ 740	0.000%	0.250%	0.250%	0.500%	0.250%	0.250%	0.250%	0.750%	0.750%	N/A
720 – 739	0.000%	0.250%	0.500%	0.750%	0.500%	0.500%	0.500%	1.000%	1.000%	N/A
700 – 719	0.000%	0.500%	1.000%	1.250%	1.000%	1.000%	1.000%	1.500%	1.500%	N/A
680 – 699	0.000%	0.500%	1.250%	1.750%	1.500%	1.250%	1.250%	1.500%	1.500%	N/A
660 – 679	0.000%	1.000%	2.250%	2.750%	2.750%	2.250%	2.250%	2.250%	2.250%	N/A
640 – 659	0.500%	1.250%	2.750%	3.000%	3.250%	2.750%	2.750%	2.750%	2.750%	N/A
620 – 639	0.500%	1.500%	3.000%	3.000%	3.250%	3.250%	3.250%	3.500%	3.500%	N/A
< 620 ¹	0.500%	1.500%	3.000%	3.000%	3.250%	3.250%	3.250%	3.750%	3.750%	N/A

The question before the committee today is, should the LLPAs for FICO and LTV be eliminated so there is one fee for all borrowers? This would make it so all conforming homebuyers purchasing similar products (e.g. primary residence purchase mortgage) would receive the same interest rate, similar to how the FHA loan product works.

The concern with the current risk-based structure is data suggests qualified buyers are either being forced into other costlier loan products or not entering the housing market. The chart below shows the average FICO of borrowers before and after the introduction of the LLPAs.

<u>Year</u>	<u>Average Fannie Mae FICO Score</u>	<u>Average Freddie Mac FICO Score</u>
2002	714	718
2012	761	755
2019	749	751
July 2020 Combined Average Purchase Loans	758	758

What are the current fees?

An annual report on g-fees is published by the FHFA. In December of 2019, the FHFA issued the 2018 report stating:

- The average single-family guarantee fee in 2018 was 55 basis points.
 - The average upfront g-fee was 15 basis points.
 - The average ongoing portion of the g-fee was 40 basis points.
- The average g-fee for the 30-year fixed rate mortgage was 56 basis points.
- Average g-fee for FICO:
 - FICO <660 was 81 basis points,
 - FICO 660-719 was 64 basis points,
 - FICO >=720 was 50 basis points.
- Average g-fee for LTV:

- LTV ≤ 70 was 50 basis points,
- LTV 70.1 – 80 was 62 basis points,
- LTV 80.1 – 90 was 50 basis points,
- LTV >90 was 48 basis points.

The interest rate difference between two borrowers with different FICO scores can vary by as much as 150 basis points (1.5 percent).

C.A.R. POLICY

C.A.R. has advocated for lower LLPA's but does not have policy specific to the elimination of them.

NAR POLICY

NAR has existing policy to oppose the LLPA's.

Should C.A.R. support the elimination of Fannie Mae's Loan Level Price Adjustments and Freddie Mac's Credit Fees?

ISSUE BRIEFING PAPER



Fall 2020

Lead Committee: Transaction and Regulatory
Level of Government Committee: Federal

GUARANTEE FEE DISCLOSURE

THE QUESTION:

Should C.A.R. support the disclosure of guarantee fees similar to the disclosure of other lending fees and closing costs?

ACTION REQUIRED?

Staff is seeking policy direction at this time; however, there are no specific proposals for this idea.

OPTIONS:

1. That C.A.R., in conjunction with NAR, "SUPPORT" the disclosure of guarantee fees to borrowers.
2. That C.A.R., in conjunction with NAR, "OPPOSE" the disclosure of guarantee fees to borrowers.
3. Take no policy.
4. Other

DISCUSSION

Background

Fannie Mae and Freddie Mac (Enterprises) guarantee payment of principal and interest on mortgage backed securities (MBS). To do this, the Enterprises charge a fee to the loan originator, known as a guarantee fee (g-fee). The lender passes this fee onto the buyer through upfront fees and increases in the buyer's interest rate.

Fannie Mae and Freddie Mac do not charge a single g-fee for all borrowers. Instead they have risk based pricing; Loan Level Price Adjustments for Fannie Mae and Credit Fees for Freddie Mae. Most people will simply use Loan Level Price Adjustments (LLPA) for both Fannie and Freddie.

LLPA's will vary based on borrower FICO and loan-to-value (LTV). In addition to the FICO/LTV matrix, there are additional LLPA's for:

- Second home
- Investment property
- Cash-out
- Adjustable rate mortgages
- Condominium
- Manufactured homes
- 2 or more unites
- Mortgage with secondary financing
- Jumbo conforming

Most borrowers are unaware of the fees since they are rolled into the interest rate of the loan.

The question before the committee today is, should a breakdown of these fees be included on the Loan Estimate Form or a similar document that is provided to applicants and borrowers. Benefits of this may include shining a light on the different fees rolled into the interest rate and ensure a borrower is getting the loan they are applying for. Additionally, borrowers may be able to better compare the different interest rates between lenders. For example, if the loan estimate says 80 basis points are for the Fannie Mae guarantee fee at bank A, it should be the same or similar for bank B and C.

The regulator of Fannie Mae and Freddie Mac, the Federal Housing Finance Agency (FHFA) has a history of creating new fees and increasing existing ones. Additionally, Congress has attempted, and succeeded once, to add additional guarantee fees that goes directly to the Treasury to offset legislation. All of this is done without the public's knowledge because they only see the final interest rate.

C.A.R. POLICY

C.A.R. has no policy specific to this issue but has historically supported transparency in fees.

NAR POLICY

NAR has no existing policy on this issue.

QUESTION

Should C.A.R. support the disclosure of guarantee fees similar to the disclosure of other lending and closing costs?

ISSUE BRIEFING PAPER



Fall 2020

Lead Committee: Transaction and Regulatory
For Information Committee: Investment Housing Committee
Level of Government Committee: Federal

HMDA DATA COLLECTION

THE QUESTION:

Should Home Mortgage Disclosure Act (HMDA) information be collected separately from the loan application?

ACTION REQUIRED?

Staff is seeking policy direction at this time in response to concerns of differences in loans between buyers with similar credit profiles but differences in race, ethnicity and gender.

OPTIONS:

1. That C.A.R., in conjunction with NAR, "SUPPORT" collecting Home Mortgage Disclosure Act information separately from the loan application.
2. That C.A.R., in conjunction with NAR, "OPPOSE" collecting Home Mortgage Disclosure Act information separately from the loan application.
3. Take no policy
4. Other

DISCUSSION

In 1975 Congress passed the Home Mortgage Disclosure Act (HMDA), out of concern there was a shortage of available credit in certain neighborhoods. In 1989 HMDA was amended to require lenders to collect and disclose data about applicants and borrowers to help identify possible patterns of discrimination in lending. In short, a lender must report the ethnicity, race, and gender of mortgage applicants and borrowers on loan originations, applications, loan purchases, request for preapprovals denied or result in origination of a home purchase loan. The lender must request the information regardless of how the borrower applies for a loan. However, the borrower may refuse to answer the questions. If an in-person applicant does not provide the information "the lender is required to note the information on the basis of visual observation or surname."

While the intent of HMDA is to document and track possible discrimination in lending, concerns have been raised that providing the lender/underwriter with this information may contribute to the discrimination it is designed to deter.

The question before the committee is, should this information be collected separately from the loan application? The potential benefit would be removing the ethnicity, race and gender information from the underwriting process but would still allow the data to be tracked. Possible solutions may be to ask the questions after a decision has been reached or to ask the questions on a separate form or website that goes directly to the appropriate regulatory body and not the lender.

Is there discrimination in lending?

A 2018 study by Berkeley found significant discrimination by both face-to-face and algorithmic lenders:

- Black and Latino borrowers pay 5.6 to 8.6 basis points higher interest on purchase loans than White and Asian ethnicity borrowers do, and 3 basis points more on refinance loans.
- For borrowers, these disparities cost them \$250M to \$500M annually.
- For lenders, this amounts to 11 percent to 17 percent higher profits on purchase loans to minorities, based on the industry average 50-basis-point profit on loan issuance.

The study takes into consideration underwriting criteria so borrowers with similar credit risk are compared to each other. Algorithmic lenders (also known as Fin-Tech) reduced this difference and eliminated the discrimination in rejection rates.

This is important because it was reported in August that Black mortgage applicants are denied loans at a rate of 80 percent higher than whites. This is according to existing 2020 HMDA data.

Much of the information related to discrimination in lending is because of HMDA data. Because of this, many view the collection of the information as necessary to be able to track lending discrimination. The question is, should this information be collected in another manner to ensure it is not used for discrimination?

C.A.R. POLICY

C.A.R. does not have policy specific to when HMDA questions should be asked.

NAR POLICY

Should Home Mortgage Disclosure Act (HMDA) information be collected separately from the loan application?

Global Real Estate Forum

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Phone**Committee**

Global

Meeting Day/Time

October 8, 10:00 AM

Action Items

NONE

Discussion Items

Their were three speakers that gave updates on the Global Market.

1. Lisa Calarco -NAR she is responsible for making sure Global Committees in Local Associations meet the NAR requirement to be a Certified Member in good standing. She shared what the requirements are and how NAR is there to support any association that wants to start a Global committee. Global Transactions are down because of the Pandemic. Jordon Levine-C.A.R. Economist- Jordon shared the housing market and trends in migration. Here in the Bay Area, home buyers are moving East (Out of San Francisco) pushing everyone else East of there respective city they live in. For example people leave SF and move to Oakland, people leave Oakland and move to Antioch-Tracy and each family gets pushed out further East families start to leave the Bay Area. On average 200k leave the Bay Area per year. We continue to be in a housing shortage because we are not building enough homes to keep up with demand.

3.Jame Haung-President AARE and commercial Realtor. Commercial Industrial real estate is strong, office buildings are starting to feel the exit as companies allow workers to work at home. The expectation is there will be a surplus of office space available for rent and prices will fall to it's lowest level in years.

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Home Ownership Housing

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Committee

Homeownership Housing

Meeting Day/Time

10-6-20

Action Items**1) Special District: Fee Transparency**

That C.A.R. sponsor legislation to require County Assessor to publish general information about the direct fees collected from property owners, similar to the way they currently report the "Tax Rate Area" within their county.

2) Density Bonus: Fee Reduction to Construct Below Market Rate Unit

That C.A.R. sponsor legislation in 2021 to prohibit local governments from assessing affordable housing fees on the deed restricted affordable units contained within a density bonus application.

3) Commercial Property Conversions Into Housing

That C.A.R. sponsor legislation to require a local government ministerially approve housing developments : 1) on lots zoned for office, retail or commercial use on a lot located within a residential neighborhood; and, 2) by request of a property owner who seeks to convert existing vacant commercial shopping centers, located near residential neighborhood, from a commercial to a residential use or mixed use.

4) Ministerially Applications of simple lot splits

That C.A.R. sponsor/co-sponsor legislation to allow ministerially approve for simple lot splits and duplexes in urbanized areas if: 1) One of the units will be owner occupied for 5 years after construction, 2) Owners are permitted to apply for a simple lot split OR a permit to construct a duplex, but not both; and, 3) The state's accessory dwelling (ADU) law is limited to the single-family detached units that are located on the lots resulting from a simple lot split.

5) First Look:

That C.A.R. sponsor legislation to provide owner-occupants and public entities with an opportunity to purchase REO properties for 20 days, and that the real estate licensee must present offers within 2 business days, after which the property may be made available to any purchaser, similar to the federal "First Look" program and to prohibit a Government Sponsored Entity (GSE) from conducting "Bulk sales" in California.

Discussion Items

AB 2345 (Gonzalez) Density Bonus: PASSED
SB 1079 (Skinner) Residential Property: Foreclosure: PASSED
AB 3182 (Ting) CID Governing Documents: Preservation of Ownership Rights: PASSED
AB 2782 (Stone) Mobilehome Parks: Change of Use: On the Governor's Desk.
AB 725 (Wicks) General Plans: Housing: Watch
SB 1385: Died in the Assembly
SB 902: Died in the Assembly
SB 995: Failed to advance to the Governor's desk by the midnight deadline as required by the state constitution.
SB 1120: Failed to advance to the Governor's desk by the midnight deadline as required by the state constitution.
SB 1085: Failed to advance to the Governor's desk by the midnight deadline as required by the state constitution.
SB 1299: The measure was never taken up for a vote on the Assembly Floor.
AB 3148 (Chiu) Density Bonus: Fee Reduction to Construct Below Market Rate Unit: Dropped by the Author Prior to Hearing in Assembly Housing and Community Development Committee.
AB 2506 (Irwin) State Housing Agency: Cabinet Level Secretary: Dropped by the Author due to the COVID-19 pandemic.
AB 2662 (Rubio) Updating California's Affordable Housing Cost Study: Dropped by the Author in light of the COVID-19 pandemic –Pending Re-introduction.
SB 981 (Archuleta) Common Interest Development Document Delivery: Dropped by the Author due to the COVID-19 pandemic –Pending Re-introduction
AB 599 (Maienschein) Affordable Owner-Occupied Workforce Housing: Definition: Died in the Assembly Housing and Community Development Committee.
AB 1020 (Irwin) State Housing Agency: Cabinet Level Secretary: Died in the Assembly Appropriations Committee.
AB 1074 (Diep) Bonds for Accessory Dwelling Units (ADUs): Died in the Assembly Housing and Community Development Committee.
AB 1568 (McCarty) Housing Element Implementation and Accountability: Died in the Assembly Appropriations Committee.
SB 50 (Wiener) Housing Development: Died on the Senate Floor.
SB 509: Died in the Senate Appropriations Committee.
SB 592 (Wiener) Housing Accountability Act: Dropped.
SCA 1 (Allen & Wiener) Public Housing Projects: Died in the Assembly –Pending Re-introduction.
AB 1934 (Voepel) Planning and Zoning: Streamlined Ministerial Approval Process: Died in the Assembly Housing and Community Development Committee.
AB 2078 (Calderon) Housing Development: CalFHA: Died in the Assembly Housing and Community Development Committee.
AB 2534 (Quirk-Silva) Legislative Task Force: California Master Plan on Home Ownership: Died in the Assembly Housing and Community Development Committee.
AB 2580 (Eggman) Commercial Property Conversions into Housing: Died in the Assembly Housing and Community Development Committee.
AB 2666 (Boerner Horvath)/AB 3155 (Rivas) Small Lot Subdivisions: Died in the Assembly Housing and Community Development Committee.
AB 3155: Died on the Assembly Appropriations Suspense File.
AB 2722 (McCarty) Local Housing Incentives: Died in the Assembly Local Government Committee.
AB 2843 (Chu) Local Employer Affordable Housing Fees: Died in the Assembly Local Government Committee.
AB 3107 (Bloom) Commercial Property Conversions into Housing: Died in the Senate Housing Committee.
SB 773 (Skinner)/AB 953 (Ting) Accessory Dwelling Unit: Died in the Assembly Governmental Organization Committee/AB 953: Died in the Senate Governance and Finance Committee.
SB 1299 (Portantino) Commercial Property Conversions into Housing: Assembly Floor (Dead)
AB 2845 (Lemon) Mobilehome Residency Law: Died in the Assembly Housing and Community Development Committee.

Upload Attachments

Housing Affordability Fund

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Committee

Housing Affordability Fund-HAF

Association

Bay East AOR

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Meeting Day/Time

October 5 9 AM to 12:30 PM

Action Items

Received FIVE requests from Associations for Funding for various Housing Issues. 3 Grants Approved 2 referred back to their Associations for further development

Discussion Items

Special Reports

1. Mixology Cocktail Event Raised over \$6100 ++ (goal was \$5000) over 110 registered about 60+/- showed up but everyone was very HAPPY with the Presentation and the Mixologists
2. Holiday Cooking with C.A.R. Officers in November 19th-Coming UP

B. 2021 Fundraisers Up Comming

1. Mixology Cocktail Party
2. HAF's Bingo Night

2021 Statewide Program Called Home Essentials Program which if the CAR Budget is Approved it includes an Augmentation for this Statewide program

VIII. New Committee Leadership for 2021

Chuck Linn – HAF Chair

Carol Luckenbach – HAF Vice Chair

Greg Carlsted – HAF Vice Chair

Eugene Pak – Committee Liaison

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IMPAC Trustees

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Committee

IMPAC Trustees

Meeting Day/Time

09/22/20 and 10/7/20

Action Items

IMPAC items are part of the BOD consent agenda and are not considered action items.

Discussion Items

But, these were the requests that were presented to the IMPAC Trustees and the results.

1. Bay East AOR Request for \$10,165 to support the campaign against Measure VV in San Leandro to raise the real estate transfer tax. APPROVED
2. Pacific Southwest AOR for \$40,000 to oppose Measure N to force a city-wide vote for land use changes to "intensify land use" APPROVED
3. Sacramento AOR for \$100,000 to oppose Measure C, to regulate rent increases and setup an elected rent board. APPROVED
4. San Francisco AOR for \$250,000 to oppose Proposition 1 which is an increase to the real estate transfer tax. APPROVED
5. CA Apartment Assoc/CA's For Responsible Housing/No on 21 to oppose Prop 21. APPROVED
6. Greater LA AOR for \$20,000 to a real estate transfer tax increase. APPROVED
7. Greater LA AOR for \$10,000 to a real estate transfer tax increase. APPROVED

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Investment Housing

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Committee

Investment Housing

Association

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Meeting Day/Time

Wednesday/10AM

Action Items

Should C.A.R. "sponsor" legislation to ensure that: 1.) multifamily properties provide the occupants of "affordable" units access to the same common entrances, common areas, and amenities that are available to the occupants of market-rate units, and 2) new multifamily properties do not isolate "affordable" units to a specific floor or area?

Discussion Items

Item passed and moves on to Legislative and Executive Committee

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Land Use & Environmental

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Committee

Land Use & Environmental

Meeting Day/Time

Tuesday October 6, 2020

Action Items

NONE

Discussion Items

The Committee has 5 Bills on the Governor's Desk they would like to support. They are;

1. SB 974 (Hurtado) California Environmental Quality Act: small disadvantaged community water system: exemption - This bill would exempt from CEQA small disadvantaged communities water supply and water quality projects.
2. AB 3164 (Friedman) Fire prevention: wildland-urban interface wildfire risk model: model use guidelines. - This bill would require CalFire, by July 1, 2022, to develop a wildlandurban interface wildfire risk model to determine the risk for a community or parcel within a local responsibility area or state responsibility area and guidelines for the proper use of the model.
3. National Flood Insurance Program (NFIP) – Congressional authorization of this program ends September 30, 2020. Congress is currently working to reauthorize the program before October 1, 2020. The Flood Insurance was extended to September 2021.
4. SB 1090 (Bates)* Coastal erosion: installation of shoreline protective devices: application process - This bill would require the approval of seawalls and other coastal erosion protective devices for existing housing in San Diego and Orange Counties. This bill also allows for local governments to require homeowners to self-fund a sand mitigation offset program that would balance the loss of erosion due to the shoreline protective device
5. AB 831 (Grayson) Evaluation of Local Fees: New Developments - This bill would allow qualified housing development projects to effectively utilize the streamlined approval process established by SB 35 (Wiener, 2017) by clarifying multiple provisions in the law that are currently being misinterpreted by no growth local governments.

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Legal Action Fund Trustees

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Committee

Legal Action Fund Trustees

Association

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Meeting Day/Time

October 5, 9am

Action Items

None

Discussion Items

The Trustees were updated on POWER v. County of Stanislaus (well water permits), on Clear Cooperation cases and several recent cases challenging eviction protections.

The Trustees discussed various issues, including the current real estate market, COVID-19, fair housing, and wildfire issues, with particular emphasis on the perils presented by buyer "love letters."

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Legislative

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Committee

Legislative

Meeting Day/Time

Thursday October 8th 1:00-5:00

Action Items

Prop 14,16, 17,18,22,23 all "not real estate related. Prop 24, against.

Discussion Items

We had items from the home ownership and housing committee, Investment housing, transaction and Reg, taxation and government, land use and environmental. All items passed/carried that were brought forth. the buyer/broker agreement was discussed in length and ended up failing in the BOD meeting. Implicit Bias training was heavily discussed along with the racially restrictive masking, along with the HMDA data collection and the legislation to allow lot split was heavily discussed any and all items of fair housing are of utmost priority and top of discussion currently.

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Local Government Forum

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Committee

Local Government Forum

Association

Bridge Association of REALTORS®

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Meeting Day/Time

October 1, 2020, 3:00pm

Action Items

none

Discussion Items

1. Groundwater regulations in the high desert
2. Lawsuit against rent control in New York
3. TOPA and COPA Ordinances (Tenant Opportunity to Purchase and Community Opportunity to Purchase) – Gives tenants or nonprofits first option buy for sale rental properties
4. REALTORS Committee on Air Quality
5. Transfer Tax measures and propositions (Piedmont, San Francisco, San Leandro)

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MLS Policy

NAR Update

Current lawsuits were not dismissed by the courts.

The NAR MLS Technology and Emerging Issues and Advisory Board will be meeting 10/13/20 to have discussions on “nuances” of the Clear Cooperation Rule.

Motion passed:

Adopting NAR’s MLS Policy Mandating Broker Entitlement to Data Portability into C.A.R. Model MLS Rules

Actual motion language:

That, upon final approval by NAR, C.A.R. Model MLS Rule Section 11.13 [Participant Access and Entitlement to Their Own Listing Information; Data Portability] be added to incorporate new mandatory NAR policy requiring the MLS to provide MLS Participants access and entitlement to a data feed containing their own listing information as set forth in the Issues Briefing Paper and that Staff make any necessary related additional corrective and/or correlating changes to the Model MLS Rules and Model Citation Policy.

3 additional IBPs – reports only:

1. Changing Default IDX Advertising Option and Clarifying IDX Display Purpose in C.A.R. Model Rules
2. Joint Pro-Standards/MLS Policy Committees’ MLS Citation Hearing Process Work Group
3. Coming Soon Workgroup (a lot of discussion on this)

Link to all 4 IBPs:

<https://www.car.org/meetings/carmeetings/current/MLS-Policy-Committee---Fall-2020>

Discussion on the inclusion of Virtual Floorplans in the MLS

(a lot of discussion on this)

Talking Points - September/October COVID-19 Forms

CDC-TD – Centers for Disease Control COVID-19 Tenant Declaration

This form was created by an order from the CDC. If a residential tenant who cannot pay rent signs the form and delivers it to the landlord, the landlord may not evict the tenant for non-payment of rent until January 1, 2021. This only applies if the tenant earns no more than \$99,000 per year, and the landlord is not obligated to provide this form to the tenant.

CRFP – Coronavirus Rent Forgiveness, Termination of Tenancy and Possession of Premises Agreement

The CRFP creates a voluntary agreement between a residential landlord and tenant. The landlord agrees to forgive all or part of the unpaid rent in exchange for possession of the property on a date certain.

CRRA – Coronavirus Unpaid Rent Repayment Agreement

This voluntary agreement between a landlord and tenant is used to come to an arrangement to, over time, pay back rent that was unpaid since the beginning of the COVID-19 state of emergency. If a local government has issued an order or ordinance establishing a payback period, that local enactment needs to be complied with. Under a superseding state law, the payback period can begin no later than March 1, 2021 and end no later than March 1, 2022.

CURC – Coronavirus Unpaid Rent Calculation

This form can be used to clearly document and organize any rents not paid from March 1, 2020 to January 31, 2021, which will need to be documented as part of any future eviction or which can be useful in coming to a repayment agreement.

DCFD – Tenant Declaration of COVID-19 Related Financial Distress

Under the new California law, a landlord may not evict a tenant if the tenant signs and delivers to the landlord a declaration under penalty of perjury that the tenant is unable to pay rent due to a COVID-19 related reason. An unsigned version of this form must be attached to an eviction notice for unpaid rent from March 1, 2020 to January 31, 2021. No proof of inability to pay is required unless the tenant is a “high income” tenant.

NTRA – Notice of Tenant of COVID-19 Tenant Relief Act of 2020

This form, which provides a tenant with information regarding their rights under the new California law, was required to be given to any residential tenant who had not paid rent from March 1, 2020 to August 31, 2020 by September 30. Going forward until January 31, 2021, this form must be provided to a tenant before serving a tenant with an eviction notice.

NTT-CTRA – Notice of Termination COVID-19 Tenant Relief Act of 2020

During the COVID covered period, March 1, 2020 – January 31, 2021, a tenancy can only be terminated for “cause. This form gives the allowable reasons and minimum notice periods.

PCQ-CTRA – Perform Covenant COVID-19 Tenant Relief Act of 2020

During the COVID covered period, March 1, 2020 – January 31, 2021, attempts to evict a tenant for failure to meet a non-monetary, contractual obligation have a different procedure. This notice to perform form can be used and should be followed by a separate notice to quit.

PMC-CPP – Notice to Cure Covid Protected Period Monetary Covenant or Quit

This form, along with the next form to be discussed, was created to differentiate a breach of a monetary covenant from ordinary covenants, due to the requirements under the new law. This PMC-CPP is a 15-day notice to pay money, other than rent, that was due between March 1, 2020 and August 31, 2020. PMC-TP – Notice to Cure Covid Transition Period Monetary Covenant or Quit This form is similar to the previous form, but would be used for money obligations, other than rent, that is due between September 1, 2020 and January 31, 2021.

PRQ-CPP – Notice to Pay Covid Protected Period Rent or Quit

Due to the way the law was written, we have also created two temporary pay rent or quit notices. The PRQ-CPP is a 15-day notice to pay rent or quit, for any unpaid rent that was due between March 1, 2020 and August 31, 2020.

PRQ-TP – Notice to Pay Covid Transition Period Rent or Quit

PRQ-TP is a 15-day notice to pay rent or quit, for any unpaid rent that is due between September 1, 2020 and January 31, 2021.

September/October 2020 Revised Forms related to

NTT – Notice of Termination of Tenancy

Because of the different procedures related to the new California law, this form was modified to instruct the user to not use this form for termination of a residential tenancy from March 1, 2020 to January 31, 2021, if the tenant is a natural person.

PCQ – Notice to Cure or Perform Covenant or Quit revised

Because we added the two other forms, this form was modified to inform the user that other forms are necessary if a non-rent monetary covenant is due between March 1, 2020 and January 31, 2021.

PRQ – Notice to Pay Rent or Quit revised

Similarly, the standard pay rent or quit form was modified to inform the user that other forms may be necessary for unpaid rent due between March 1, 2020 and January 31, 2021.

October 2020 New Form

FHDA – Fair Housing and Discrimination Advisory

This form was released on October 1 and bundled with the purchase agreements, listing agreements, buyer representation agreements, and residential lease. It provides guidance and information related to fair housing laws and how they relate to real estate, It provides some best practices dos and don'ts.

Proposed December 2020 New Form

HHDS – Home Hardening and Defensible Space Disclosure and Addendum

This form satisfies the disclosure requirements starting January and July 2021 concerning home hardening and defensible space, respectively. This form should be used if the property is located in a high or very high fire hazard severity zone.

Proposed December 2020 Revised Forms

Substantive Revisions

COP – Contingency For Sale of Buyer's Property

This form went through an overhaul to make the form easier to use. The form starts by clearly identifying exactly what the contingency is for. A section was added regarding the current status of the other transaction, including what is or will be happening with the MLS. The buyer agrees to keep the seller informed of the status of the other transaction. The procedures for obtaining a backup has been moved up to the first page and the time frames for which it will apply, if it does at all, has been made easier to understand. Finally, the Buyer and Seller's cancellation rights have been more clearly defined.

CR – Contingency Removal

This form was updated to reflect the changes made to the COP form, including the paragraph references and potential contingency removal situations contemplated in the revised COP.

NBP – Notice to Buyer to Perform

Just like the CR, this form needed to be updated to reflect the changes in the COP.

RCJC-Rent Cap and Just Cause Addendum

This form was reorganized to place the exemption for single family residences or condos not owned by a corporation at a more prominent place at the beginning of the form so that it is more easily found for those that are exempt.

SFLS – Square Footage and Lot Size Disclosure and Advisory

This form was reorganized to clarify each party's representations and acknowledgements before the signature lines.

Bay East Presidents Report

Name

Tina Hand

NRDS #

206518692

Association

Bay East

Email

tina@tinahandhomes.com

Phone

(510) 862-7000

Committee

Association President Report

Meeting Day/Time

10/9/20

Action Items

Provide updated information from the Bay East Association President, Tina Hand

Discussion Items

We are continuing to have new members join the association each month, had 66 in September and are averaging around 50/month.

Pro Standards is now virtual, and they have been very busy from what I hear.

We continue to hear from our membership agents are not following the MLS rules when it comes to showing property. The majority of those agents are out of area.

And the majority of our membership is using the CBS code on their lockboxes because so many again are not following the rules.

I had forgotten that back in May, Bridge, Contra Costa and Bay East signed a joint letter to the Health Departments in both Alameda & Contra Costa requesting photographers, stagers and showing owner occupied homes become essential. And we know how that turned out ☐

David Stark, our Public Affairs Director began production, and is the face behind the mic on Insider Live, which airs Monday mornings at 10:00. He presented a wide variety of topics for the membership, from ADU's, to Security & Safety, Top Producers, etc.

The Board of Directors in May through a Resolutions voted to keep this year's Officers in place for 2021. The board also agreed to freeze the 2 candidates running for Treasurer as well our current Treasurer, Steve Medeiros as he will be running for President-Elect in 2021 for the 2022 year. I found out during our fall meetings that Bay East is not the only Association that has done this, there are 4 I know for sure, and one of those did a By-Law change to keep the board the same in the 2021.

Last, but not least, I want to thank DaVina and Bridge for stepping up to the plate and matching the \$250.00 donation to HAF in the name of Heide Wolf-Reid, thank you all!

10/12/2020

I am adding this to my report as I forgot to mention during our Caucus Meeting and I apologize to the committee members, Dave Stark and Megan McDonald.

I would like to acknowledge all the hard work, all the time and the commitment from the PAC Committee over the past 2 ½ months. Their dedication to the committee goes above and beyond. The committee spent countless hours interviewing candidates who were running for County Supervisor, City Council, City Planning and Mayors.

Thank you to you all

Upload Attachments

Professional Standards

Name

Laura Wilson

NRDS #

2056512963

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Committee

Professional Standards

Association

Bay East Association of REALTORS®

Phone

(510) 760-4380

Meeting Day/Time

Thursday Oct. 8th at 8:00a.m.

Action Items

1. That C.A.R. make a formal request to NAR to revise Standard of Practice 11-4 of the Code of Ethics to state that a REALTOR®'s duty to provide competent service includes the duty to comply with real estate related health orders and regulations.
2. That C.A.R. add guidelines developed by the Designated REALTOR® ("DR") and Broker Discipline work group to the California Code of Ethics and Arbitration Manual to clarify, for professional standards volunteers and parties in disciplinary cases, the criteria for when it is appropriate to discipline a Designated REALTOR® or broker based on the actions of their salesperson. The Guidelines will state that a DR and/or broker can be found in violation of the Code of Ethics based on the actions of their salesperson if: (a) their salesperson's violation stems from the DR's and/or broker's failure to establish a system to adequately supervise agents and to monitor salespersons' compliance with the Code of Ethics; or (b) a salesperson's alleged violation of the Code of Ethics is brought to the attention of the broker and/or DR, but the broker and/or DR does not take reasonable steps to remediate the violation. The Guidelines will also state that a DR and/or broker should not be found in violation of the Code of Ethics if: (c) the salesperson's actions were contrary to the broker's and/or DR's established policies; and (d) the salesperson's actions could not have been prevented by the broker's and/or DR's reasonable supervision of the agent.
3. That C.A.R. amend the California Code of Ethics and Arbitration Manual to modify the procedures for handling MLS citation challenges. The new procedure will provide the option for a respondent challenging an MLS citation to request an administrative review of the citation by a panel of the local association's Professional Standards Committee. The respondent may submit a written request for an administrative review if there is a factual dispute regarding the alleged violation(s) or a contention that there was a violation of procedural due process by the MLS. The decision to uphold or overturn the citation will be made by the administrative review panel based on the initial complaint and the written information submitted by the respondent. The respondent agrees that the decision of the administrative review panel is final and that they will not be able to request a formal hearing and/or Director's Review based on the decision of the panel.
4. That C.A.R. amend the C.A.R. Interboard Arbitration Rules to allow C.A.R. to require parties to Interboard Arbitrations to participate in virtual hearings.

Discussion Items

The NAR Professional Standards Committee met on October 5, 2020, to consider recommendations from its Interpretations and Procedures Advisory Board on the Code of Ethics' applicability to discriminatory speech and conduct. The Committee approved the Advisory Board's recommendations, therefore six of them will be presented to the NAR Board of Directors for a vote at their November 13, 2020 meeting.

During the social unrest throughout the nation in late spring and summer of 2020, NAR received an unprecedented number of complaints about REALTORS® posting discriminatory speech and conduct online, especially on social media.

A special meeting of the NAR Professional Standards Committee was held that included a panel discussion on race, real estate, and association leadership. The Committee ultimately referred the issue of the Code's applicability to discriminatory speech and conduct to the Interpretations and Procedures Advisory Board for their review.

The Committee recommends that the revised policy be effective immediately upon final approval.

A new Standard of Practice under Article 10 prohibiting discriminatory speech and conduct

The Committee recommends adoption of a new Standard of Practice under Article 10:

Standard of Practice 10-5

REALTORS® must not use harassing speech, hate speech, epithets, or slurs based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity.

This proposed Standard of Practice directly flows from the requirement to not deny equal professional services or be parties to a plan to discriminate. Specifically, bias against protected classes revealed through the public posting of hate speech could result in REALTORS® not taking clients from certain protected classes or not treating them equally, which would lead to violations of the Fair Housing Act due to overt discrimination or disparate impact.

The Committee recommends that the new Standard of Practice be effective immediately upon final approval.

Please review the "Frequently Asked Questions about the Recommendations Being Presented to the NAR Professional Standards Committee" dated October 2020

Upload Attachments

Risk Management and Consumer Protection Forum

Name

Nancie Allen

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Bay East

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Committee

Risk Management and Consumer Protection Forum

Meeting Day/Time

Oct. 2, 2020, 1:00PM

Action Items

None

Discussion Items

The Speaker was Martin Mead, Esq., whose topic was: Risky (and Less Risky) Business to Business Agent Strategies for Minimizing Independent Contractor Mis- Classification Liability in Vendor Relationships Under AB 2257.

Regional Rep Reports: Many regions talked about the lack of inventory, and fires happening up and down the state. Our region reported how COVID-19 is affecting city finances and that San Leandro has a ballot measure that if passes will almost double the current real estate transfer tax .Also, regarding appraisals, it is taking much longer to get the appraisal appointment and then when the appraisal is finally complete many are coming in under the purchase price.

Gov. Hutchinson reviewed the new Tenant forms that have been released, talked about what constituted Just Cause for evicting a Tenant and how to try to interpret federal tenant laws vs. local laws. He also reviewed the Home Hardening Disclosures laws one of which is that beginning in 2021 delivery of a statutory disclosure is required regarding home hardening for homes in designated high fire areas built before 2010, and that seller must list specified retrofits.that will be used in very high and high fire zones.

C.A.R. Summary of New Laws for 2021: <https://www.car.org/legal/Recent-Legal-Developments/2021-New-Laws>

I will upload the Summary of Gov.'s Forum Presentation once I receive it from C.A.R.

Upload Attachments

Standard Forms Advisory and Forum on Forms

New COVID-19 Forms and Related Forms revisions – a result of the TPA (Tenant Protection Act)

These are new/revised forms relating to tenant issues during the COVID-19 crisis. There are various forms for various situations. The consensus is that a local real estate attorney should be consulted regarding any attempted proceedings against any tenants with unpaid balances before, during, or after the crisis.

1. CDC-TD – Centers for Disease Control COVID-19 Tenant Declaration
2. CRFP – Coronavirus Rent Forgiveness, Termination of Tenancy and Possession of Premises Agreement
3. CRRRA – Coronavirus Unpaid Rent Repayment Agreement
4. CURC – Coronavirus Unpaid Rent Calculation
5. DCFD – Tenant Declaration of COVID-19 Related Financial Distress
6. NTRA – Notice of Tenant of COVID-19 Tenant Relief Act of 2020
7. PMC-CPP – Notice to Cure Covid Protected Period Monetary Covenant or Quit
8. PMC-TP – Notice to Cure Covid Transition Period Monetary Covenant or Quit
9. PRQ-CPP – Notice to Pay Covid Protected Period Rent or Quit
10. PRQ-TP – Notice to Pay Covid Transition Period Rent or Quit **revised**
11. PCQ – Notice to Cure or Perform Covenant or Quit **revised**
12. PRQ – Notice to Pay Rent or Quit **revised**

Link to COVID-19 related forms:

<https://www.car.org/zipform/standard-forms/summary-forms-releases-chart/September-2020-Forms-Release>

New Fair Housing form FHDA – Fair Housing & Discrimination Advisory

(in ZipForm now and bundled with purchase, listing, lease forms, and buyer representation forms)

New and Revised forms for December release

1. HHDS – Home Hardening & Defensible Space Disclosure & Addendum **NEW**
This is likely to be split into 2 forms given the laws take effect at different times (1/1/21 and 7/1/21)
2. COP – Contingency For Sale of Buyer's Property
3. CR – Contingency Removal – reflects new language in COP
4. NBP – Notice to Buyer to Perform – reflects new language in COP
5. RCJC – Rent Cap and Just Cause Addendum
6. SFLS – Square Footage and Lot Size Disclosure and Advisory

Link to new/revised forms:

<https://www.car.org/zipform/standard-forms/summary-forms-releases-chart/December-2020-Forms-Release>

Status Update on the December 2021 RPA Revision

Nearly done. To be released December 2021. February 2021 CAR meetings will show the new form and roll out/training to begin sometime after that. The delay has allowed CAR to hopefully update all of the ancillary forms (60 of them) by the December 2021 release.

NOTE – TALKING POINTS ABOUT EACH OF THE FORMS WITH A BRIEF DESCRIPTION IS ARE AT THE END OF THIS REPORT.

SPF

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Doug Sager

NRDS #

183506467

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Committee

SPF

Association

Bridge

Phone

(415) 378-0502

Meeting Day/Time

Thurs 9/10 / 10am

Action Items

The Strategic Planning and Finance Committee presented to the Executive Committee a budget and 2021-2023 Strategic Plan (attached) which then came before the Board of Directors and was approved. This plan included a number of augmentations. One augmentation the committee decided not to move forward at this time is the Ethics Whistleblower Hotline. The committee sent that program back to the Legal Department for improvement and fine tuning.

See attached action items (5 attachments). See also attached the Strategic Plan Highlights.

Discussion Items

In an effort to build up the funds of the Housing Affordability Fund, the committee debated and finally narrowly decided to add an optional donation on the annual dues billing statements for the members of \$15. When presented to the Executive Committee, a member of the EC proposed that we rethink that idea and consider raising core dues from \$115 to \$145 per year. The committee decided not to do so at this time, however, raising dues will likely be a hot topic of discussion in the Winter meetings of 2021 and beyond.

Upload Attachments

2021-2023 Strategic Plan.pdf
5.08 MB

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2021-2023 Highlights Sheet print.pdf
4.33 MB



That the Statement of Income and Expenses by program for the seven months ending July 31, 2020 be approved.

Total C.A.R.

Revenue: \$28,063,900

Expenses: \$17,025,000

An Excess of Income over Expenses (before unrealized investment results) \$11,038,900

Issues Action Fund Program Allocation: \$1,138,500

* Direct Member Contributions to IMPAC : \$559,500

* Advocacy Local Fund (ALF) Allocation: \$174,500

* Total Issues Action Fund: \$1,872,500

Political Activities Fund Program Allocation: \$: \$1,612,200

* Direct Member Contributions to IMPAC : \$109,400

* Advocacy Local Fund (ALF) Allocation: \$150,900

* Total Political Activities Fund: \$1,872,500

REALTOR® Action Assessment Program Allocation: \$752,200

* Direct Member Contributions to PACs: \$6,907,600

* Advocacy Local Fund (ALF) Allocation: \$1,513,600

* Total REALTOR® Action Assessment: \$9,173,400

The C.A.R. Balance Sheet as of July 31, 2020

Total Assets: \$134,278,200 (of which \$120,558,700 are current assets)

Total Liabilities: \$7,360,000 (of which \$5,427,600 are current liabilities)

C.A.R. Fund Balance: \$126,918,200

That the Projected Statement of Income and Expenses by program for the year ending December 31, 2020 be approved.

Total C.A.R.

Revenue: \$31,131,800

Expenses: \$29,709,300

Net deficit (before unrealized investment results) \$1,422,500

Issues Action Fund Program Allocation: \$1,168,700

* Direct Member Contributions to IMPAC : \$574,300

* Advocacy Local Fund (ALF) Allocation: \$179,100

* Total Issues Action Fund: \$1,922,100

Political Activities Fund Program Allocation: \$1,654,900

* Direct Member Contributions to IMPAC : \$112,300

* Advocacy Local Fund (ALF) Allocation: \$154,900

* Total Political Activities Fund: \$1,922,100

REALTOR® Action Assessment Program Allocation: \$772,000

* Direct Member Contributions to PACs: \$7,089,100

* Advocacy Local Fund (ALF) Allocation: \$1,553,400

* Total REALTOR® Action Assessment: \$9,414,500

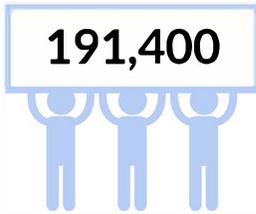
2021-2023 Strategic Plan

Highlights

2021 Membership + Dues

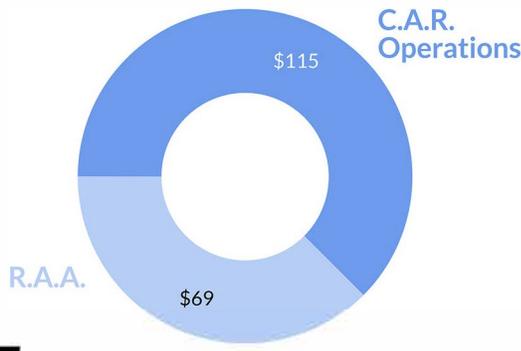
Membership of

191,400



Dues:

\$184



New Members Only: **\$100 fee**



Key Themes

- 1 Housing Affordability
 - 2 Modernizing the Transaction
 - 3 Increasing local political clout
 - 4 Leadership Development
 - 5 Creating a Culture of Professionalism
- +
- Focus on Fair Housing, Inclusion and Diversity

2021 Budget

\$21,383,000

Dues Revenue

\$43m

C.A.R. & Subsidiaries Combined Revenue

Reserves: **\$71.6 million - 25 months**

R.E.B.S. Transfer: **\$2.0 million**

HAF Funding: **\$1.0 million**

Staff Positions: **134**

Popular Member Benefits



Legal Hotline



45 hours free C.E.



zipForm®



REALTOR® Secure Transaction



Glide®



2021

New Programs



**REALTOR® Advertising:
Development of New Advertising
Commercials**



**Spanish In-Language
Advertising Campaign**



Fair Housing



Application Developer



**Californians for Homeownership:
Expanded Housing and Diversity Focus**



**Californians for Homeownership:
Equitable Access to Housing Fellowship**



Local Advocacy Capacity Building



Virtual Summits



Transaction & Regulatory

Name
Barbara Clemons

NRDS #
206532205

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Association
4089338180

Phone

Meeting Day/Time
Wed. Oct 7, 2:30 pm

Action Items

1. That CAR sponsor legislation to enact a mandatory buyer broker agreement in California. How many of us have worked with a buyer without this agreement to find that they were working with another agent. Action Item PASSED no brainer as this is mandatory in other states.

Action Item 2 – Proposition 24 Amends Consumer Privacy Laws Initiative Statute, This measure expands provisions listed in the California Consumer Privacy Act or AB 275 which is currently defined as personal information linked to a consumer like name, address, SSN, etc.

Prop 24 looks to expand the definition of personal information to include geolocation, race, ethnicity, religion, genetic data, private communication, sexual orientation to name a few. It would require businesses to disclose to consumers the length of time a business intends to retain their personal information.

The question posed to the committee was: Which of the following positions should CAR take on the ballot initiative: For, Against, Neutral, Not Real Estate Related, the committee voted to take an AGAINST position.

Action Item 3 – Regarding Real Estate Licensing, Implicit Bias Training. This has to do with steering and other discriminatory behavior in the profession. There have been several high profile studies and undercover exposes on the issue that have shed a bright light on steering and other discriminatory practices, legislating this will fill a whole in the education requirements of the DRE.

Motion: That CAR sponsor legislation to require all real estate licensees have implicit bias training as part of their pre licensing DRE requirements and continuing education requirements, PASSED

Action Item 4 – The Uniform Partition of Heirs Property Act UPHNA since about half of Americans do not leave a wills, their property then passes to the heirs as tenants-in-common ownership which can create vulnerabilities that can be exploited by non-family members, including real estate speculators who can acquire a small percentage of the property and then force the sale of the whole property, giving themselves the opportunity to buy the property at a lower than market rate at an auction. UPHNA seeks to create guardrails to protect against this type of exploitation by outsiders This would require the courts to appoint a realtor to conduct the sale instead the judicial system.

Motion, That CAR co-sponsor legislation that would add California to the list of states that utilize the Uniform Partition of Heirs Property Act, PASSED

Action Item 5 – Racially Restrictive Covenant Masking/Removal, you who have been in the business for many, years may recall seeing these racially restrictive covenants which restricted certain races and ethnicities from owning property, Property owners and others are able under current law, to petition the county for a Restrictive Covenant Modification which masks the covenant from subsequent documents produced for a property transfer, this process is not well used and not automatic, So when a property with this information is transferred, the owner or someone can request that that information be masked or removed from further documents.

Motion, That CAR co sponsor legislation to remove or redact illegally restrictive covenants from property records PASSED

Action 6 - That CAR sponsor or Co sponsor legislation that would increase the current \$500 per project limit allowed for unlicensed handypersons PASSED

Action Item 7 – HMDA Data Collection, Home Mortgage Disclosure Act. Information about race, ethnicity etc, is collected at the beginning of the loan process, even though it is voluntary, it can/has been used to discriminate in the loan approvals. This would allow this information to be a separate document thus making the application process more equitable.

Motion, CAR in conjunction with NAR, support a policy that HDMA should be collected separately from the loan application and we should explore legislation to prohibit HDMA information from being provided to those involved in making decisions on loan approvals. PASSED

Action Item 8 – Guarantee Fee Disclosure, the Enterprises Fannie Mae and Freddie Mac, charge a fee to the loan originator, known as a guarantee fee (g-fee). The lender passes this fee onto the buyer through upfront fees and/or increases in the buyer's interest rate. We are asking that these fees be transparent to the consumer.

Motion, Should C.A.R. support the disclosure of guarantee fees similar to the disclosure of other lending fees and closing costs? PASSED