



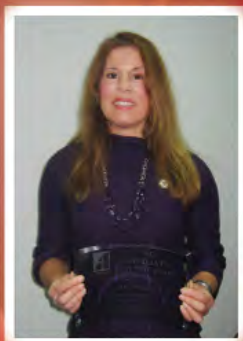
# REALTOR®

THE VOICE FOR REAL ESTATE IN SANTA CRUZ COUNTY

## AND THE WINNERS ARE...



REALTOR® OF THE YEAR



AFFILIATE OF THE YEAR



REALTOR® OF THE YEAR



COMMUNITY SERVICE



LIFETIME ACHIEVEMENT



### CONGRATULATIONS 2012 SCCAR AWARD WINNERS!

OFFICIAL PUBLICATION OF THE SANTA CRUZ COUNTY ASSOCIATION OF REALTORS®

# REALTOR®

THE VOICE FOR REAL ESTATE IN SANTA CRUZ COUNTY

REALTOR® is the official monthly newsletter of the Santa Cruz County Association of REALTORS® provided as a member service to inform, educate and update REALTOR® and Affiliate members on local, state and national news, as well as the Association's calendar of events.

Santa Cruz County Association of REALTORS®  
2525 Main Street, Soquel, CA 95073  
(831) 464-2000 (831) 464- 2881 (fax)

**2013 BOARD OF DIRECTORS**

**President**  
John Hickey

**President-Elect**  
Frank O. May

**Secretary/Treasurer**  
Betty Danner

**Immediate Past President**  
Barbara Palmer

**Directors**  
Sandy Kaplan  
Morgan Lyng  
Frank McCue  
John T. Peterson  
Lauren Spencer  
Randy Turnquist  
Bettsy Tyler  
Carol VanAusdal

**Chief Executive Officer, SCCAR &  
Executive Director, SCAORHF**  
Kathy Hartman, RCE

**Member Services Director,  
Director of Education & Professional  
Services**  
Norma I. Milete

**Advertising, Communication  
& Marketing Director**  
Andrea Harbert

**Government Affairs Director**  
Dale Gray

**Administrative Assistant**  
Leslie Flint

**Bookkeeper**  
Linda Zoccoli

**ADVERTISING INFORMATION**

For advertising and deadline information,  
please contact SCCAR.

## Inside This Month's Newslet-

- President's Message - page 3**
- Code Of Ethics - pages 4 & 5**
- Legal Notes - page 6**
- Education Offerings - page 7**
- Installation of Officers & Directors - pages 8 & 9**
- Government Affairs - page 10**
- Affiliate Spotlight - page 11**
- Affiliate Expert - page 12**
- Housing Statistics - page 13**
- New Members - page 14**
- Calendar - page 14**



OFFICIAL PUBLICATION OF THE SANTA CRUZ COUNTY ASSOCIATION OF REALTORS®

# REALTOR®

THE VOICE FOR REAL ESTATE IN SANTA CRUZ COUNTY

# Message From The President

**John Hickey**  
2013 SCCAR President  
Monterey Bay Properties  
831-476-9661 |  
[johnhickey@montereybayprop.com](mailto:johnhickey@montereybayprop.com)



Things are off and running this year at the Santa Cruz County Association of REALTORS®. As we plan and implement this year's calendar of events I wanted to highlight one of particular interest and importance. The educational series Santa Cruz County Pro (SCCP) has just concluded its first year and those graduates of the program have rave reviews.

*"The SCCP course was very worthwhile. The information was well presented by local experts and gave me the opportunity to ask specific transaction related questions. I highly recommend it for anyone who considers themselves (or wants to be) a Santa Cruz Real Estate Professional."*, **Millou Rose**, REALTOR®

This series of 9 classes cover topics ranging from local history to water issues. It is both a primer on social issues in our community as well as designed to educate a REALTOR® in local transactional knowledge.

Because it is such a tremendous asset to those who have completed it and was such a success the first year, I wanted to emphasize that the series has just started again. One class has just passed but it is not too late to sign up for and be recognized for completing the series. The quality of speakers on each topic and the uniqueness of those topics cannot be matched through any other venue. That is why I believe this series of classes to be well worthwhile in 2013. If you agree, don't hesitate as space is limited.

While I am on the topic of the Santa Cruz County Pro classes, I want to reveal to you how truly valuable each individual can be to our industry. From the first creative spark through the stellar implementation, SCCP was several years in the making. The significant efforts that went into the launch of this successful program can be attributed to the SCCAR Education Committee and in particular two dedicated committee members. Connie Landes, Sereno Group and Bettsy Tyler, Monterey Bay Properties, made this education series happen and both were acknowledged by receiving the REALTOR® of the Year award for 2012. Now with year two under way and plans afoot for the third year, it is safe to say that these two fantastic volunteers have made a lasting impression on our members.

If you would like to be part of making a difference, please consider joining a committee. Call SCCAR 831-464-2000 for more information.

## Do NOT Call List ALERT!

If you are calling sellers from expired listings, be aware of the Do Not Call restrictions-checking the list before calling a seller could save you a serious fine from the Federal Trade Commission.

Information is available at [www.donotcall.gov](http://www.donotcall.gov).



Allen Property Group, Inc. is your commercial property sales and leasing specialist. For results and uncommon professional service, put your trust in us.

**Steve Allen, CCIM**  
Principal Broker/President  
831-688-5100 | [www.allenpginc.com](http://www.allenpginc.com)



## Reverse Mortgages



Serving the Greater Central Coast



**Richard Cornelsen**  
Reverse Mortgage Originator

123 Mission St., San Francisco, CA 94105  
p. 831-320-8143, f. 831-535-6338  
[rcornelsen@calconmutual.com](mailto:rcornelsen@calconmutual.com)  
[www.calconmutual.com](http://www.calconmutual.com)

**Your Clients Can Use a RM to BUY A HOME!**  
Call today for more information.

EQUAL HOUSING LENDER  
Borrower's person on title must be at least 62 years old.  
NMLS# 458733



# The Code of Ethics Turns 100!



2013 marks the one hundredth anniversary of the REALTOR® Code of Ethics. REALTOR® members continue to subscribe to this strict code which assists them in providing the best possible resources and representation to their clients during the transaction process.

By way of background, the National Association of REALTORS® was founded in 1908 by real estate practitioners determined to unite the real estate profession with the singular goal of establishing high ethical standards to protect buyers and sellers. There was a vision of real estate as a profession, and of REALTORS® as the guardians of the land. REALTORS®' fortitude and determination has enabled them to persevere through two world wars, the Great Depression, and other difficult times. Over the years the Code of Ethics has been variously described to as the founders "dream of vision" and as a "golden thread" uniting the REALTOR® family in common purpose. Others have characterized the Code of Ethics as a torch, illuminating their pathway to professionalism, and those who teach and enforce the Code as "keepers of the flame". Because the Code is a living, dynamic statement guiding REALTORS® in their daily professional lives it must be continuously scrutinized and enhanced to ensure its continued relevancy in an ever-changing real estate environment.

Unquestioningly, a vibrant, professional, ethical real estate community is essential to encouraging and protecting property owner-

ship and ensuring wise stewardship of our nation's land and resources. The Code's Preamble tells REALTORS® and the public they serve that ". . .the interests of the nation and its citizens require the highest and best use of the land and the widest distribution of land ownership" as well as ". . .the creation of adequate housing, the building of functioning cities, the development of productive industries and farms, and the preservation of a healthful environment."

During 2013, SCCAR will look back on a century of service to our nation, guided by the Code of Ethics and its clear and unambiguous duties to the public, to clients and customers, and to each other. The Code's Centennial is the perfect opportunity for REALTORS® reaffirm their commitment to the honor and integrity to Code demands. The American public has been well served for a century by the Code's assurances of professionalism and service. We are confident those protections will continue in place unchanged as the Code's Second Century unfolds.

Read the original 1913 Code of Ethics, and learn what was happening in America at the time below and on next page.

View a downloadable [presentation](#) which commemorates the centennial of the NAR Code of Ethics.

## The 1913 Code of Ethics and Historical Context

### The 1913 Code of Ethics

(Pearl Janet Davies - "Ten Decades" 1913 through 1919 Chap. IV., Part 1. Page 34.)

### Text of NAREB's Code in Earliest Form (1913)

The rules in full as presented at Winnipeg and unanimously adopted, are as follows:

#### The Duty of Real Estate Men Toward their Clients

1. The real estate agent should be absolutely honest, truthful, faithful and efficient. He should ever bear in mind that he is an employee that his client is his employer and is entitled to the best service the real estate man can give his information, talent, time, services, loyalty, confidence and fidelity.
2. A real estate agent should be conservative in giving advice and where he is not reasonably well posted should refrain from giving his opinion of value.
3. A real estate agent should inspect his client's property, if possible, before offering it for sale, and he should always inform the buyer if he has not done so.
4. An agent should not depreciate the price of property unless the price is too high; he should ask that the price be reasonable and tell the owner that it must be so if he expects his agent to make an attempt to sell it.
5. An agent should have the sole agency, in writing, if it is property he is willing to make a special effort to sell.
6. An agent should advocate either the real consideration to be shown in a deed to property, or one dollar and other valuable considerations.
7. An agent should not give special information to inquirers over the telephone or otherwise, unless they are willing to give their names and addresses. Let them understand he deals in the open and expects them to do likewise.
8. An agent should not ask for a net price on property, unless he intends to buy it himself and so notifies his client.
9. An agent should request his client not to discuss price with the prospective buyer, but persuade his client to refer the matter to the agent, thus strengthening the agent's position with the buyer, and thus helping the agent to make a better deal for his client.

*Continued on next page*

# The 1913 Code of Ethics and Historical Context

*Continued from previous page*

10. An agent should always exact the regular real estate commission prescribed by the board or exchange of which he is a member, and should always give his client to understand at the beginning that he is entitled to such, and expects it.

*Special thanks to CJ DelVecchio, REALTOR®, Ithaca Board of REALTORS® (NY), for developing this document.*

## The Duty of a Real Estate Man to Other Real Estate Men

1. An agent should respect the listings of his brother agent and cooperate with him to sell, provided the other agent has the most suitable place.
2. An agent should advise an owner to renew a selling contract with some other agent rather than solicit the agency himself, provided the other agent has made a reasonable attempt to sell the property during the life of his contract.
3. An agent should always be loyal, square, frank and earnest in the matters that require the cooperation of brokers, and should always speak kindly of his competitors, refusing to pass judgment on others from hearsay evidence.
4. An agent should not advertise anything but facts, and should be careful not to criticize by any method a competitor's proposition.
5. An agent should give an honest opinion concerning a competitor's proposition when asked to do so by a prospective purchaser, even though such opinion will result in a sale by the competitor.
6. An agent should refuse to put a "For Sale" or "For Rent" sign on property on which his competitor already has his sign, providing the placing of such sign was through the authorization of the owner.
7. If an agent can not efficiently handle a proposition he should refer the matter to some competitor who can.
8. An agent should solicit cooperation of the members of the board in selling sole agency listings unless he has a deal on or has some particular buyer in sight to whom he expects to make a sale, and he should always be ready and willing to divide the regular commission equally with any member of the board who can produce a buyer for any of his clients.
9. An agent should invoke friendly arbitrations by the real estate board, rather than action through the courts of law, in settling differences between himself and other agents.
10. He should not disregard the rights of other agents. He should never take the position with an owner that he will not work through his regular agent, or that he will not try to sell his property to a live buyer he may have unless he handles the entire deal and gets all the commission.
11. He should not put his name in the newspapers in connection with a deal unless really representing at least one of the parties and receiving a part of the commission, for such publicity is a sham, and the result is to the disadvantage of all.
12. When a sale or exchange is handled by two agents each agent shall be given due credit in the report of such sale or exchange.
13. He should not relay property, which means he should not submit to one agent that which he obtains from another agent, unless in exceptional cases and then he should let the third agent know that he does not have the property directly. For in case he relays, he represents neither side, and is not entitled to the same consideration as either of the other agents.

## What Else Happened in 1913?

- Jan 9: Richard Nixon is born
- Feb 3: The Sixteenth Amendment is ratified (allowing Congress to levy an income tax)
- Feb 4: Rosa Parks is born
- Mar 4: First Inauguration of Woodrow Wilson as 28th US President
- Mar 10: Harriet Tubman dies
- Mar 10: Quebec Bulldogs win Stanley Cup
- Mar 17: Franklin D. Roosevelt sworn in as Assistant Secretary of Navy
- Apr 8: The Seventeenth Amendment is ratified (transferring Senator selection from each state's legislature to popular election)
- Jul 14: Leslie Lynch King Jr. (Gerald Ford) is born
- Sep 12: James Cleveland "Jesse" Owens is born
- Nov 6: Great Lakes Storm of 1913
- Dec 23: President Woodrow Wilson Signs The Owen-Glass Act creating the Federal Reserve System



## KENDALL & POTTER

Property Management, Inc.



Serving  
Santa Cruz County  
for over 30 Years  
Specializing in:

- RESIDENTIAL RENTALS
- VACATION RENTALS
- CORPORATE HOUSING

**Attention Realtors: We pay you a referral fee.**

*The Phone Call is Free...The Management is Priceless!*

**888-692-8992**

783 Rio Del Mar Blvd., Aptos, CA 95003  
WWW.MONTEREYCOAST.COM



## AB 2521 Adopts New Procedures and Notice Requirements Relating to Disposition of Personal Property Left by a Former Tenant

Terry Rein  
Bosso Williams, APC

### Real Estate Legal Matters

Both tenant and landlord groups agree that reuniting tenants with their personal property as soon as possible after termination of a lease benefits everyone involved. To that end, Assembly Bill 2521 (Chapter 560) was recently passed by the California legislature, effective January 1, 2013. AB 2521 revised the procedures and notice requirements relating to the disposition of private property left behind by former tenants of real property.

**Increased Threshold Triggering Public Sales.** Until AB 2521 was passed, landlords were required to store unclaimed personal property valued up to \$300, and offer it in a public auction rather than throwing it away or keeping the items. AB 2521 increases the value threshold from \$300 to \$700. This adjustment relieves some of the expensive storage and sale costs that landlords feel are an unreasonable burden placed on them.

**New Statutory Notice to Terminate Lease.** The new legislation requires the landlord to inform the tenant of his or her right to recover abandoned property in the 30 or 60 day notice terminating the lease, and in the notice to request an initial inspection of the property prior to lease termination. These notices must contain, in substantially the same form, the following statement:

*State law permits former tenants to reclaim abandoned personal property left at the former address of the tenant, subject to certain conditions. You may or may not be able to reclaim property without incurring additional costs, depending on the cost of storing the property and the length of time before it is reclaimed. In general, these costs will be lower the sooner you contact your former landlord after being notified that property belonging to you was left behind after you moved out.*

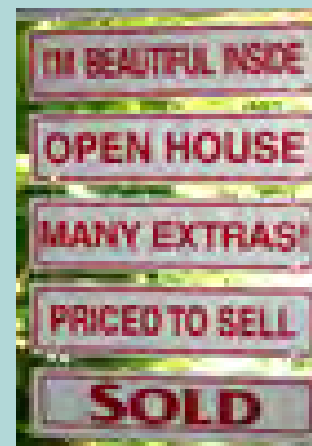
**Notice of Right to Reclaim Property.** AB 2521 allows the landlord to provide written notice to the former tenant by email if the former tenant had provided the landlord with his or her email address. Notice by personal delivery and first class mail is also allowed. The notice must describe the personal property left behind by the former tenant and provide instructions on how to reclaim the property. The new legislation includes a specific statutory notice entitled "Notice of Right to Reclaim Abandoned Property."

**Release of Personal Property Without Charge If Reclaimed in Two (2) Days.** Under the new law, the landlord must release the unclaimed personal property to the former tenant without requiring that former tenant pay the cost of storage if the property remained in the dwelling and is reclaimed by the former tenant within two (2) days of having vacated the dwelling. Property reclaimed after two days or that has been moved out of the unit may still be reclaimed pursuant to existing law, which requires its release if the tenant pays the reasonable cost of storage and takes possession of the property no later than the date specified in the notice.

**Failure to Reclaim.** If the tenant fails to reclaim the property, it will be sold by the landlord at a public sale after notice of the sale has been given by publication. The tenant has the right to bid on the property at this sale. After the property is sold and the cost of storage, advertising, and sale is deducted, the remaining money will be paid to the county. The tenant may claim the remaining money at any time within one year after the county receives the money.

**Conclusion.** AB 2521 provides some relief to landlords by increasing the threshold amount which triggers the requirement for holding a public auction if personal property is left by a former tenant. However, landlords must take special care to comply with several statutory notice requirements designed to inform tenants of their rights to reclaim their personal property.

## ON SALE FOR FEBRUARY



## Rider Signs

6" x 24"

**\$5.00 each for Members**  
(Regularly \$6.00)



# Education & Professional Development



Register Online by visiting our [Web Portal](#)

## New Online Registration Process

**To register for classes online, please visit our new easy-to-use and secure, [web portal](#) and follow the instructions at the top of the page.**

### Essentials of Realist

Monday, February 11, 10:30 pm - 12:00 pm  
 Cost: Free to members who preregister  
 Instructor(s): MLSListings, Inc.

This 90 minute course will provide you with the basic skill requirements for the Realist application. Upon completion you will have learned: Application Navigation; Foreclosure Reports; Map Labeling; MapSearch; Saving Searches; Inputing Search Queries; Reporting & Results Options; Data Exporting.

### Matrix Productivity Pack

Monday, February 11, 1:00 pm - 2:30 pm  
 Cost: Free DRE Credit: No  
 Instructor(s): MLS Listings, Inc.

This 90 minute hands-on workshop will provide you with advanced skills to customize and automate: Market inventory reports, market activity reports, listing opportunity, and buyer tour kits. You will also learn how to streamline searches, and organize listing data. \*This is an advanced course. Basic Matrix skills are required to fully benefit from this course.

### C.A.R. Benefit Training:

#### ZipForm® 6, zipLogix Digital Ink®, zipVault ®

Friday, February 22, 9 am - 12 pm  
 Cost: \$5 SCCAR Member, \$15 Non-member, \$20 SCCAR Member at the door.

Learn how to use your FREE C.A.R. member benefits! In this course you will learn how to: Access zipForm® 6 Professional and zipForm® 6 Standard, how to access your additional C.A.R. member benefits zipLogix Digital Ink(tm) digital signatures and zipVault (tm) online document storage, Use the zipForm® 6 tool-bar, Create and use templates and much more!

### Matrix Easy 1

Friday, February 22, 10:30 am - 12 pm  
 Cost: Free to SCCAR members with RSVP  
 Instructor(s): MLS Listings, Inc.

This 90 minute workshop course will provide you with the basic skill requirements for Matrix Search & Report. You will learn a select group of fundamental Matrix functions in this hands-on workshop. Please bring your laptop. Limited seating!

### Santa Cruz County Pro - Advanced Training Series: Land Use

Wednesday, February 27, 9:30 am – 12 :30 pm  
 Cost: SCCAR Members, \* \$159 for the entire series, \$20 SCCAR Member per class, \$40 Non-member per class

Santa Cruz County Pro (SCCP) is designed to provide REALTORS® with knowledge and information to better assist their clients in buying and selling real estate in Santa Cruz County. In the second class of this 9 course series you will learn the minimum steps to determine ‘build ability’ of a parcel, biggest hurdles working with the city or county, how to gain access legally to landlocked parcels and much, much more!

**\* In order to receive the SCCP certification, registrants must attend 7 of the 9 courses.**

*Unless otherwise stated, all Education & Professional Development offerings are held at the SCCAR offices at 2525 Main Street, Soquel, CA 95073*

**DEPENDABLE and KNOWLEDGEABLE agent seeks customers looking for real PROTECTION and long term RELATIONSHIP.**

**SINGLE ARTIST LADY SEEKS SINGLE ARTIST GUY.** If you love painting, decorating, baking and knitting.

**Look no further.**  
 Having one special person for your car, home and life insurance lets you get down to business with the rest of your life. It's what I do.  
**GET TO A BETTER STATE.<sup>SM</sup>**  
**CALL ME TODAY.**



Laureen Yungmeyer ChFC, Agent  
 Insurance Lic#: 0B10216  
 718 Water Street  
 Bus: 831-423-4700  
[www.laureenyungmeyer.com](http://www.laureenyungmeyer.com)

**State Farm™**

State Farm Mutual Automobile Insurance Company,  
 State Farm Indemnity Company, State Farm Fire and Casualty Company,  
 State Farm General Insurance Company, Bloomington, IL

1101201.1

# Installation of 2013 Officers & Directors

## SCCAR Installation Event Honors Industry's Finest

A beautiful fall day, stunning views and a fabulous lunch greeted this year's Installation & Awards luncheon attendees. This year's event was celebrated at the Chaminade on January 11, 2013 and honored incoming 102<sup>nd</sup> President, John Hickey and the 2013 Officers and Directors: President-Elect, Frank O. May, Frank O. May and Associates, Treasurer, Betty Danner, Bailey Properties, Inc., Immediate Past President, Barbara Palmer, Bailey Properties, Inc.

Directors: Sandy Kaplan, Santa Cruz Properties, Morgan Lyng, David Lyng Real Estate, Frank MCue, American Dream Realty, John T. Peterson, Bailey Properties, Inc., Lauren Spencer, Coldwell Banker Residential Brokerage, Randy Turnquist, American Dream Realty, Betsy Tyler, Monterey Bay Properties, and Carol VanAusdal, Keller Williams Realty – SC.

Special guests in attendance were: C.A.R. President-elect, Kevin Brown, City of Santa Cruz Mayor, Hilary Bryant, Santa Cruz County Supervisor, Bruce McPherson, Assembly members, Luis Alejo and Mark Stone, and Congressman Sam Farr representative, Sonja Arndt.

Those who attended enjoyed a delightful and seamless event that reminded us all of the outstanding commitment to professionalism SCCAR members have to our community and industry.

Congratulations to our 2012 SCCAR Award Winners  
(as seen on this issues cover)

Betsy Tyler  
REALTOR® of the Year  
Monterey Bay Properties

Connie Landes  
REALTOR® of the Year  
Sereno Group

Lori West  
Affiliate of the Year  
First American Title Co.

Shelley Lawrie  
Community Service Award  
Lawrie & Lawrie Properties

Inez Pandolfi  
Lifetime Achievement Award  
Century 21 Lad Realty



Past SCCAR President, Walt Hickey installing his son, John Hickey



Past Presidents Steve Allen and Candace Bradfield



2013 SCCAR Offices and Directors, l to r: John Peterson, Frank O. May, Barbara Palmer, John Hickey, Betty Danner, Sandy Kaplan, Betsy Tyler, Morgan Lyng, Lauren Spencer, Carol VanAusdal and Randy Turnquist

More Pictures on Next Page





*Honora Robertson, Shelley Lawrie, Lindy Harte and LilianeMolda*



*Betty Danner, SCCAR Treasurer, Bruce McPherson, Santa Cruz County Supervisor and Steve Allen, SCCAR Past President*



*Doug Omar, First American Title, Sally Lyng, David Lyng RE and Barbara Dimitruk, First American Title Co.*



*President Elect, Frank O. May with Past President, Christa Shanaman*



*C.A.R. President-elect, Kevin Brown and SCCAR President, John Hickey*



*L to r: City of Santa Cruz Mayor, Hilary Bryant, State Senator, Bill Monning, California Assembly member, Mark Stone, SCCAR Immediate Past President, Barbara Palmer, California Assembly member, Luis Alejo, Congressman Sam Far Staff, Sonja Arndt, SC County Board of Supervisor, Bruce McPherson and SCCAR President, John Hickey.*



*Marcene Baker and Connie Landes with Sereno Group*



*Teresa Marlow and Linda Darrigo, Monterey Bay Properties*



*L to r: SCCAR President, John Hickey, Senator Bill Monning, and SCCAR GAD Dale Gray*



*Loree Doan, Stewart Title and SCCAR Director, John Peterson*



*Monterey Bay Properties: Barbara Eddy, Nancy Whitman and Caren Spencer*



## *From the desk of Dale Gray*

*Government Affairs Director*

### *NAR Issue Brief*

## *Qualified Mortgage (QM) Rule Summary*

NAR has been actively involved in shaping the debate and structure of the Qualified Mortgage (QM) Rule issued by the Consumer Financial Protection Bureau (CFPB) created by the Dodd-Frank Reform Act. NAR achieved a significant victory in obtaining a safe harbor in the QM rule for loans underwritten to the automated standards of Fannie Mae/Freddie Mac, the Federal Housing Authority, Veterans Administration and Rural Housing Service (within their respective loan limits) for up to seven years. For Fannie and Freddie, the safe harbor is for seven years or whenever they leave conservatorship, whichever comes first. Additionally, loans outside of those backed by the government that do not have risky features and do not have a total debt to income (DTI) of greater than 43% will receive safe harbor protections.

The 43% DTI cap basically means that if all your debt expenses (including total mortgage payment) do not exceed 43% of your gross income (before taxes are withheld) you will qualify for a QM. Other more risky loans that meet the other criteria but exceed 43% DTI will only receive rebuttable presumption protections.

Highlighted below are some of the issues contained in the 804-page QM rule that were of particular concern to NAR. There are many more provisions that could affect the cost or access to credit. As the industry and public absorb the implications of various provisions additional issues may arise. Some elements of the rule will require additional commentary as well. The interaction of other rules to be issued in the coming weeks may affect the QM rule and its impact on the industry, consumers, or both. NAR will continue to work with CFPB, Congress, and industry partners to address issues such as the definition of fees and points that are critical to consumers, our industry, and the real estate market overall. The rule is scheduled to be effective January 10, 2014.

#### **Key Elements in the QM Rule**

##### **Fees and Points**

The rule requires numerous items to be considered in fees and points when determining for purposes of meeting the 3% cap. Most depend on circumstances too numerous to mention here. Two items jump out: (1) there will be circumstances when all or part of appraisal fees will be included and (2) there will be times when private mortgage insurance will be included (but not FHA and other government guarantee or insurance fees). Finally, with regard to the three major elements of HR 4323 "The Consumer Mortgage Choice Act" (112th Congress, Huizenga, Royce, Clay, Scott) or the 3% Cap Bill as we often call it, the Bureau addressed two elements directly and the third implicitly.

##### **Double-counting of Loan Originator Compensation**

The CFPB has asked for more information. They recognize the harm of double-counting but apparently view the fees and points

cap as a total compensation limit. In other words, they seem to want to count all revenues from both consumers and secondary market participants toward the 3% cap or find a way to account for all of this under the 3% cap at least with regard to the loan officer's compensation. This could have serious potential to affect quality of service and access to credit depending on how it comes out because it will restrict how much and the manner in which loan officers and mortgage brokers can be compensated beyond loan officer compensation rules. It would also affect the bottom line on mortgage transactions.

##### **Seller Financing**

Seller financiers will not be covered by the rule as long as they do five or fewer transactions in any given year. This is a NAR victory though seller financing may be affected in other Dodd-Frank rules yet to be released.

##### **Balloon Loans in Rural Areas**

The rule allows for limited balloon payment loans to be made in rural areas.

##### **Small Community Lenders**

Another provision that would apply to rural areas, but could apply to others, would allow greater flexibility for small community lenders.

##### **Smaller Loans**

In a partial victory, the CFPB upped the small loan threshold from the proposed \$75,000 to \$100,000 and established a tiered fees and points approach that raises the 3% as loans get smaller in size from \$100k.

##### **Title and Escrow for Taxes and Insurance**

Although the CFPB sympathized with NAR and other industry participants' concerns regarding title charges, CFPB cited the statutory language in Dodd-Frank as the reason not to address this issue. CFPB failed to address the issue of escrow for taxes and insurance. This issue would be corrected by new legislation in the 113th Congress similar to HR 4323.

##### **Underwriting Standards for some Jumbo Loans**

The biggest area of concern with regard to the underwriting standards for QM will be jumbo loans with DTI in excess of 43%. Although loans with these characteristics represent a relatively small percentage of the market, the new QM rule could affect lending in some high cost areas. Another area of concern regards manually underwritten loans for all loan amount levels with DTI in excess of 43% may also suffer. Manual underwriting can be an effective tool for scenarios where the buyer has some defect that fails them in the automated system but has many compensating factors that indicate they are credit worthy. Manual underwriting was a common tool, especially in FHA loans, to help borrowers qualify.



# Affiliate Spotlight

**Bob Williams**  
**HomeTech Property Inspection Service**  
(831) 335-2090  
(408) 512-2090  
[bob@homtech.com](mailto:bob@homtech.com)  
[www.homtech.com](http://www.homtech.com)



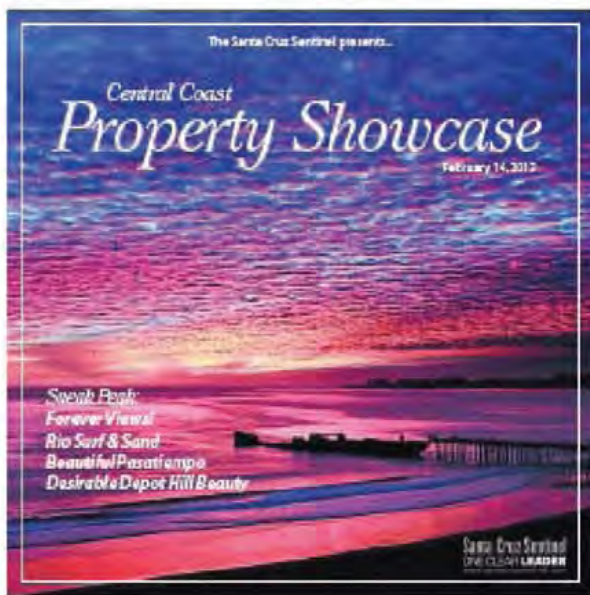
Bob Williams founded HomeTech Property Inspection Service in 1991. He is a licensed CA general contractor and code certified by the International Code Council in Building, Mechanical and Plumbing. Bob is also an American Society of Home Inspectors (ASHI) certified inspector and International Association of Certified Home Inspectors (interNACHI) certified inspector.

These qualifications are essential for inspecting homes, but it is only part of providing a quality home inspection. HomeTech provides a thorough home inspection so our clients don't find any surprises when they move into their new home. The other key

component of a quality home inspection is being able to convey those findings in a way that the client can understand by put the findings into perspective. Having 21 years of experience and having completed thousands of home inspections, we are able to communicate the difference between normal wear and tear and a defect that should be addressed. Our clients especially appreciate it when we discuss how to repair items that need to be addressed and that many repairs may be simple. This helps to remove anxieties that may exist.

To give a complete picture of the home, our reports also include the positive attributes of the home. *Continued on next page*

## Premier Issue February 14<sup>th</sup>!



## The Santa Cruz Sentinel proudly presents **Central Coast Property Showcase**

Your premier online magazine showcasing upscale homes and land for sale in and around Santa Cruz County.

Emailed weekly on Thursdays to over 15,000 opt in email recipients in Santa Cruz, Santa Clara and San Mateo Counties with direct links to advertiser's websites and Facebook page. Also available online at [SantaCruzSentinel.com](http://SantaCruzSentinel.com).

**Feature your special listing for  
2 weeks, 1 month or UNTIL IT SELLS!**

For deadlines and details please contact:

**Martin Garcia at 831-429-2424** or  
[mlgarcia@santacruzsentinel.com](mailto:mlgarcia@santacruzsentinel.com)

**Kathy Kolaski at 831-706-3203**  
[kkolaski@santacruzsentinel.com](mailto:kkolaski@santacruzsentinel.com)



## Affiliate Expert's Corner

### Swimming Pool Enclosure Ordinance (SPEO)

Bob Williams  
HomeTech

(831) 335-2090, (408) 512-2090

[bob@hometech.com](mailto:bob@hometech.com)

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

My goal in this article is to familiarize you with some of the requirements for obtaining a swimming pool barrier certification, not to give all of the code requirements for the barrier as that is the inspector's job.

The County of Santa Cruz requires that all new and modified residential (1 & 2 family dwellings – R-3 Occupancy) swimming pool enclosures meet the currently adopted code. The residential Swimming Pool Enclosure Ordinance (SPEO) applies to swimming pools, spas and hot tubs located on the premises of R-3 Occupancy structures, and defines a swimming pool as: *Any structure intended for swimming or recreational bathing that contains water over 18 inches deep.* This includes in-ground, above ground and on-ground swimming pools, and fixed-in-place pools. The currently adopted code requirements, effective January 1, 2008, are in Santa Cruz County Code Section 12.10.216.

Any time a private residential property consisting of one or two family structure (R-3 Occupancy), and including a pool, spa, or hot tub is transferred from an owner to another, written certification of compliance with the Swimming Pool Enclosure Ordinance (SPEO) must be provided by the seller to the buyer. Certification can be issued by a Certified Home Inspector or by a County building inspector with a building permit. *This requirement only applies to pool enclosures, not to entrapment avoidance devices.*

The Santa Cruz County Building Official allows a home inspector certified by the California Real Estate Inspection Association (CREIA), the American Home Inspection Training Institute (AHIT) or the American Society of Home Inspectors (ASHI) to issue certification of SPEO compliance. This inspection is a private transaction that does not involve the County or require a building permit, and certification may be issued the same day the inspection is performed. No other individual, except a SCC building inspector may perform this inspection.

There are certain circumstances when a building permit for the swimming pool barrier is required. They are:

- To build a new swimming pool or pool barrier.
- To rebuild a barrier surrounding your pool, spa or hot tub.
- To address issues identified in a Swimming Pool Barrier Correction Notice issued by a County Building Inspector.
- To request that a County Building Inspector certify your compliance with the SPEO.

No building permit is required to make the following minor changes to your pool safety features:

- Installing code-compliant door alarms.
- Changing the direction of the opening of a gate.
- Moving a gate latch.
- Installing (or removing) features to make your barrier non-climbable.

- Installing features to reduce the size of opening in your barrier.

The Swimming Pool Enclosure Ordinance (SPEO) is required by the County of Santa Cruz, which is the unincorporated area of the county. Not included in the county ordinance is the city of Santa Cruz, Watsonville, Capitola and Scotts Valley.

I called the building departments of these cities to inquire if a certification was required when home ownership was transferred from one owner to another. All the cities require pool barriers with permits; however, as of 1/15/2013 none of the cities required certifications for transfer of ownership

- Santa Cruz Building Dept. (831) 420-5100 – No certification was required
- Watsonville Building Dept. (831) 768-3050 – No certification was required
- Capitola Building Dept. (831) 475-7300 – No certification was required
- Scotts Valley Building Dept. (831) 440-5630 – No certification was required

Below is a link that takes you to the Santa Cruz County Planning Department website with all the information about swimming pool barriers.

<http://sccoplanning.com/PlanningHome/SearchResults.aspx?q=swimming%20pool%20barriers>

If you have any questions, or need a pool barrier certification, please call Bob Williams, HomeTech at 831-335-2090 or 408-512-2090



## Affiliate Spotlight

*Continued*

We provide a narrative report that is simple, yet comprehensive and precise. Our reports also include digital color pictures and a "Recommendation Highlights" section that lists the higher priority repairs or concerns at one convenient location in the report. "The Homeowners Handbook" is also included for the weekend Do-It-Yourselfers. Our reports are emailed the same day.

In addition to our home inspection, we provide a free Appliance RecallChek report to make sure that the home is as safe as possible. If a recalled appliance is discovered, our client is provided with all the information they need to have the appliance repaired or replaced free of charge by the manufacturer. We also provide a free 90 Day Warranty that covers mechanical and structural defects. This warranty comes with a zero deductible.

Bob is dedicated to providing his clients a complete and comprehensive inspection that gives them a thorough knowledge of the home so their buying decision can be made with confidence and peace of mind.

## Santa Cruz County Housing Statistics

### December 2012: Santa Cruz County - Single Family Residential

City/Area	New Listings	Current Inventory	Closed Sales	Average DOM	Average Sales Price	Median Sales Price	% LP Rec'd	Total Sales Volume
Adult Village (199)	3	5	2	22	\$ 217,000	\$ 217,000	98.41	\$ 434,000
Amesti / Green Valley Road (54)	5	20	7	39	\$ 397,357	\$ 408,000	101.93	\$ 2,781,500
Aptos (49)	5	28	8	50	\$ 885,125	\$ 647,500	97.87	\$ 7,081,000
Ben Lomond (36)	2	17	7	28	\$ 384,164	\$ 360,754	102.06	\$ 2,689,154
Bonny Doon (32)	0	6	1	3	\$ 530,000	\$ 530,000	99.07	\$ 530,000
Boulder Creek (34)	6	34	9	93	\$ 301,680	\$ 285,000	97.23	\$ 2,715,125
Brookdale (35)	0	2	1	84	\$ 167,500	\$ 167,500	98.59	\$ 167,500
Capitola (44)	0	11	3	194	\$ 1,233,333	\$ 575,000	89.83	\$ 3,700,000
College Road (55)	0	1	1	14	\$ 409,900	\$ 409,900	97.71	\$ 409,900
Corralitos (53)	3	13	5	71	\$ 577,400	\$ 475,000	98.33	\$ 2,887,000
East Santa Cruz (42)	6	28	5	69	\$ 851,000	\$ 925,000	94.87	\$ 4,255,000
Empire Grade Road (33)	0	0	1	311	\$ 1,100,000	\$ 1,100,000	100.0	\$ 1,100,000
Felton (37)	4	12	2	6	\$ 322,647	\$ 322,647	107.91	\$ 645,295
La Selva Beach (51)	4	26	5	110	\$ 885,800	\$ 574,000	92.20	\$ 4,429,000
Larkin Valley (52)	2	11	2	22	\$ 297,500	\$ 297,500	101.10	\$ 595,000
Live Oak (45)	9	39	16	136	\$ 892,865	\$ 597,750	91.82	\$ 14,285,850
Lompico-Zayante (38)	4	11	3	63	\$ 304,666	\$ 325,000	100.58	\$ 914,000
Los Gatos Mountains (23)	4	29	8	101	\$ 748,750	\$ 762,500	97.24	\$ 5,990,000
North Coast (30)	0	0	1	91	\$ 216,000	\$ 216,000	74.97	\$ 216,000
Rio Del Mar/Seascape (48)	9	40	12	72	\$ 693,945	\$ 615,000	100.57	\$ 8,327,340
Scotts Valley (39)	2	9	10	47	\$ 588,700	\$ 556,500	99.67	\$ 5,887,000
Seacliff (47)	1	6	3	95	\$ 703,666	\$ 750,000	94.45	\$ 2,111,000
Soquel (46)	4	20	13	94	\$ 602,107	\$ 564,900	97.26	\$ 7,827,400
Unincorporated Santa Cruz/ Scotts Valley North (41)	1	22	1	194	\$ 169,900	\$ 169,900	100.0	\$ 169,900
Unincorporated Santa Cruz/ Scotts Valley South (40)	5	11	6	113	\$ 663,333	\$ 697,500	98.03	\$ 3,980,000
Watsonville (56)	9	43	13	70	\$ 300,115	\$ 309,500	99.85	\$ 3,901,500
West Santa Cruz (43)	7	24	12	59	\$ 630,708	\$ 665,000	97.93	\$ 7,568,500
<b>Summary</b>	<b>95</b>	<b>468</b>	<b>157</b>	<b>80</b>	<b>\$ 608,904</b>		<b>96.74</b>	<b>\$ 95,597,964</b>

### December 2012: Santa Cruz County - Common Interest Development

City/Area	New Listings	Current Inventory	Closed Sales	Average DOM	Average Sales Price	Median Sales Price	% LP Rec'd	Total Sales Volume
Aptos (49)	3	7	3	65	\$ 492,333	\$ 490,000	97.62	\$ 1,477,000
Boulder Creek (34)	0	2	1	12	\$ 185,000	\$ 185,000	105.77	\$ 185,000
Capitola (44)	11	23	7	20	\$ 360,785	\$ 312,500	102.42	\$ 2,525,500
East Santa Cruz (42)	3	6	1	147	\$ 540,000	\$ 540,000	90.76	\$ 540,000
La Selva Beach (51)	5	21	5	173	\$ 579,599	\$ 530,000	93.33	\$ 2,897,999
Live Oak (45)	2	29	7	61	\$ 236,628	\$ 270,000	101.74	\$ 1,656,400
Rio Del Mar/Seascape (48)	4	26	5	133	\$ 447,350	\$ 490,000	97.0	\$ 2,236,750
Scotts Valley (39)	5	5	1	12	\$ 410,000	\$ 410,000	102.76	\$ 410,000
Seacliff (47)	0	20	1	30	\$ 425,000	\$ 425,000	97.70	\$ 425,000
Soquel (46)	1	3	4	34	\$ 353,000	\$ 361,000	99.06	\$ 1,412,000
Watsonville (56)	5	10	7	109	\$ 182,557	\$ 185,000	100.40	\$ 1,277,900
West Santa Cruz (43)	3	18	9	43	\$ 310,654	\$ 270,000	100.22	\$ 2,795,894
<b>Summary</b>	<b>42</b>	<b>170</b>	<b>51</b>	<b>74</b>	<b>\$ 349,793</b>		<b>98.82</b>	<b>\$ 17,839,443</b>

Data provided by MLS Listings, Inc.

# February 2013

SUN	MON	TUE	WED	THU	FRI	SAT
					1 LGR Meeting 8:30 am	2 
3	4	5	6	7	8 New Member Orientation 8:30 am - 4:30 pm Board of Directors 8:30 am	9
10	11 Events & Community Relations 11 am <a href="#">Realist</a> 10:30 am <a href="#">MLS Productivity Pack</a> 1 pm	12	13	14 	15 General Membership Meeting 10 am - 12 pm	16
17	18 	19	20	21 Thirsty Thursday 4 - 6 pm 	22 <a href="#">Matrix Easy 1</a> 10:30 am <a href="#">zipForm® 6 Training</a> 9 am - 12 pm	23
24	25	26	27 Budget & Finance 8:30 am <a href="#">SCCP Series: Class 2</a>	28		

## SCCAR Welcomes the Following New Members! January 2013

### REALTOR® Members

**American Dream Realty**  
Don Skinner

**Bailey Properties**  
Connie Woodward  
Megan Archer

**Coldwell Banker**  
Sheri Siegfried

**Cypress Realty**  
Yi Ling Cui

**David Lyng Real Estate**  
Megan DeVivo

**Keller Williams Realty**  
Robert D'Adamo  
Bernetta Hutchinson

**Monterey Bay Properties**  
Richard Wygant

**Affiliate Members**  
**American Home Shield**  
Tye Watson

**HomeTech Property Inspection**  
Bob Williams

**Mortgage Results**  
Mary Russell