

June 19, 2015

Members,

Thank you so much for the opportunity to serve on the National Risk Management Committee. Some highlights from the meeting are listed below.

**ARELLO Report:** Chair, Linda Page reported a number of issues coming out of the 2015 ARELLO Midyear Meeting in New Mexico. Among the issues discussed were 1) RESPA/TILA requirements; 2) the current regulatory status of unmanned aerial systems 3) concern regarding agents negotiating settlements with lenders and whether these actions could be construed as practicing law in some jurisdictions, especially where real estate agents receive a separate fee for this service and 5) medical marijuana and a landlord's legal ability to deny a prospective tenant based on the prospective tenant's use of medical marijuana.

**Insurance Program Update:** Linda Realo updated the committee regarding the claim trends emerging in the E&O insurance program, which include negligence, misrepresentation, fair housing and breach of contract claims.

**Independent Contractor Update:** Lesley Walker provided an update regarding pending litigation involving worker misclassification. One such case, *Monell et al. v. Boston Pads*, is currently pending in the Massachusetts Supreme Court and a decision is expected in spring 2015. NAR has several resources available, including a white paper on independent contractor status and a quick-reference guide to key provisions to include in independent contractor agreements.

**TRID (RESPA/TILA Integrated Disclosures:** Finley Maxson discussed the intergraded Truth-in-lending Act and RESPA disclosures (TRID). TRID will create two required disclosures for real estate transactions; the Loan Estimates and the Closing Disclosure. While the responsibilities pursuant to TRID are on the lender, the main takeaways for real estate professionals are to be sure to 1) educate clients about changes and the fact that transactions will likely take longer if a mortgage is involved; 2) avoid scheduling back-to-back closings as a result; and 3) avoid last-minute negotiations and try to get transaction finalized as early as possible. Associations are advised to review and update its form purchase and sale contracts to ensure compliance with the new rules.

**"Coming Soon" Listings:** Chair Colvin led a discussion about "coming soon" listings and how states are handling this issue. Oregon allows these listings in the MLS, but these listings are not viewable by the public. There was discussion about concerns of allowing these listings, including the absence of a commission guarantee and the potential to undermine the MLS' ability to provide accurate property comps. Vermont requires a seller to sign and agree that the property will not be listed in the MLS.

Emerging Issues: concerns regarding long-term solar panel leases causing potential resale challenges, pipeline and oil and gas issues with respect to land valuation, lack of uniformity in county water restrictions, recent email security breaches pertaining to wire instructions, disclosure issues related to recurring noise and zoning ordinance and taxation issues related to short-term vacation property rentals.

Thanks again for the opportunity to serve on this committee.

Respectfully,

A handwritten signature in cursive script, appearing to read "Cindy Harvey".

Cindy Harvey