

Report for the REALTOR Conference and Expo 2015, San Diego CA

Business Issues Policy Committee

The agenda for this committee focused mostly on the newly-enacted RESPA/TRID policies, or "Know Before You Owe".

The major concerns have been:

- 1) How vigorous will the CFPB be in enforcing the rules? A grace period has been adopted and enforcement efforts will be educational rather than punitive during this period. HR3192 has established a formal grace period through February 2016; however, that may be informally extended by CFPB
- 2) Will minor changes generated by a final walk-through trigger a delay in closing? Only three circumstances trigger a new 3-day period: a rise in interest of 1/8%; a change in the mortgage product; and the addition of a prepayment penalty. This seems to be working fine, no major problems have been seen in the field so far.

The major concern in the field with the new rules to this point is the confidentiality of the closing statements. Lenders are being advised not to provide closing statements to anyone but the borrower which causes great concern to the agents involved. So far, the CFPB is silent on this issue.

There is some concern about the last section of the form that requires contact information for all parties including agents. How lenders will require that information will vary. The CFPB is working on education in that regard.

A question was raised during the committee meeting regarding the required disclosure of the agents involved in the transaction. In the case where a procuring cause dispute following closing may change the agents involved, would a new closing disclosure be required? No answer was available for that question.

Marketing Services Agreements were discussed as the CFPB is taking a hard line in that regard, coming close to declaring them illegal. NAR believes MSA's are legal and wants to establish exact guidelines. There are "Do's and Don'ts" on MSA's available on realtor.org. Stay tuned!

E-closings and ZipLogics continue to be monitored. NAR believes E-closings are the wave of the future and are coming soon.

There was discussion regarding MMPS Data Policy (Master Member Profile System) which collects membership data regarding, among other things, committee involvement, attendance, RPAC contributions, license, education, household income, registered voters, likelihood to vote, etc. This information will be shared with state and local associations but it will not be sold. What is the benefit to the member? It will help to refine member searches

and help to match up referrals. In addition, the information compiled by NAR offers insight into how buyers and sellers approach the real estate transaction.

An interesting point that was brought up by a member in Texas was that some surveyors in Texas are adding a copyright to their surveys, forcing buyers to get a new survey on each transaction.

A member in California brought up the topic of scam emails where hackers are monitoring agents' email and accessing information regarding buyers and closing dates, then sending a scam email to buyers asking them to wire funds for closing. Some brokers are adding a "No wire requests" to their disclosures to help safeguard buyers against these scams. It was pointed out that in most cases where scam emails are happening, the agents involved are using a Gmail, Yahoo or similar email account, which are far less secure than those that utilize an office server.

Thank you for the opportunity to serve on this committee!

Sincerely,

Lyn Dwyer
NDAR Vice President