

Realtors, FHA Officials Denounce Unnecessarily Restrictive Credit Policies

Current credit policy restrictions are significantly delaying a housing market and economic recovery, according to leaders from the FHA and the National Association of REALTORS®.

During the 2010 REALTORS® Conference & Expo, NAR's Board of Directors adopted a policy to urge the mortgage lending industry to reassess and amend their policies so more qualified home buyers can become home owners. As part of that policy, NAR will develop educational materials for REALTORS® and consumers about credit issues, including the importance of good credit, lender credit policies, and how to find a fair and affordable mortgage.

Additionally, NAR made a series of recommendations to FICO Corp. and lenders to amend certain rules on the utilization of credit and how negative credit scores affect future home purchases, and to change how they report and treat loan modification and payment plans. Other recommendations include making credit scores and credit reports available to borrowers against whom adverse action has been taken, and conducting research on the impact of credit policies on underserved groups.

Joining the call to lenders to review their policies was FHA Commissioner David Stevens. He urged them to bring back some of their traditional underwriting practices "because too many borrowers today aren't getting a fair shot at mortgage financing."

Speaking before REALTORS® in November at the NAR Conference, FHA Commissioner David Stevens said banks' cookie-cutter approach to who can and can't qualify for mortgage financing is artificially constraining home sales by as much as 20 percent of the market at a time when the economy is looking to a healthy real estate sector to spur growth.

Stevens cited recent moves by the nation's two largest mortgage lenders, as an example that is stifling borrowers. Both Wells Fargo & Co. and Bank of America Corp. have raised the minimum required credit score on FHA-insured loans to 640 from 620. Requiring a 640 credit score excludes about 15 percent of FHA borrowers, he said.

In fact, stricter FHA and GSE underwriting rules eliminate many buyers with credit scores as high as 750, and lenders are imposing credit overlays of their own, restricting the availability of credit.

The mortgage industry faces an "imperative to get its act together," now that the huge eco-boomer generation is entering the prime home buying age, Stevens suggested. He said he's concerned about losing this generation of households to home ownership if the banks don't start closing what he called their "trust deficit" with consumers, noting for many young people, all they know about ownership is the mortgage meltdown.

Stevens implored banks to start looking beyond credit scores to find creditworthy borrowers one at a time. "Stop eliminating 10 to 20 percent of the market for people who are able to buy a home," he stated.

NAR President Vicki Cox Golder agreed. "REALTORS® believe in a responsible, sustainable model for home ownership, and current credit policy restrictions are not conducive to that model," stated Golder, owner of Vicki L. Cox & Associates in Tucson, Ariz. "The Federal Housing Administration, Fannie Mae and Freddie Mac have a mission to provide mortgage liquidity to qualified home buyers, including low- and moderate-income families and first-time home buyers. That mission is being impaired by unnecessarily restrictive limits on the availability of credit, and these extremely tight credit policies are significantly delaying a housing market and economic recovery."

"NAR wants to ensure that anyone who is able and willing to assume the responsibilities of owning a home should have the opportunity to pursue that dream," Golder told her audience.

"Home ownership matters – to individuals, families, communities and our nation's economy," said Golder. "Ensuring reasonable access to affordable credit is an important part of NAR's efforts on behalf of anyone who aspires to the American Dream of owning your own home."

HUD, REALTORS® Unveil Three How-to Videos on Homebuying

Home seekers who want to better understand the process of shopping for a home and mortgage can now view videos to help them navigate the process. The educational videos are a joint production of the U.S. Department of Housing and Urban Development (HUD) and the National Association of Realtors® (NAR).

The videos, averaging about 11 minutes each, are accessible from HUD's YouTube channel, as well as from the HUD and NAR websites. They include:

Shopping for your Home – This video instructs viewers on assessing how much home they can afford, working with a real estate agent and what happens once a desirable home is found. Housing counselors can assist home buyers and home owners on issues such as home buying, fair housing, credit issues, and foreclosure prevention.

Shopping for your Loan – This video will help consumers use the good faith estimate (GFE), which is a form that spells out the terms of a loan offer, and to shop for the best loan for them. Consumers will learn how to use the GFE to determine how long an interest rate is available for a particular loan and how to identify key loan terms and costs of a particular loan offer. HUD suggests consumers shop and compare GFEs from multiple mortgage brokers and/or lenders in order to get the best loan for their situation.

Closing the Deal – This video walks consumers through the actual closing process, including how to make sure the loan they were offered closely matches what they encounter at the settlement table. In particular, HUD will walk the viewer through the HUD-1 Settlement Statement and demonstrate ways consumers can compare their actual costs with those reflected on their *Good Faith Estimate*.

“These videos go a long way in identifying key aspects of the homebuying process that a consumer should be aware of, said David H. Stevens, HUD's Assistant Secretary for Housing and Federal Housing Commissioner. “Our goal is help make the process more transparent through educating consumers who in turn can make informed choices about their home purchase. We partnered with NAR because a real estate agent is often the primary point of contact for homebuyers and we believe real estate agents are in a great position to provide these videos to their clients as they move through key areas in the homebuying process.”

To view HUD's new homebuyer education videos, which were unveiled in November during the Realtors' annual convention in New Orleans, visit HUD's YouTube channel at www.youtube.com/HUDchannel.

November's home sales rose modest 2 percent, surprising some NWMLS Brokers

KIRKLAND, Wash. (Dec. 6, 2010) – Northwest Multiple Listing Service members recorded a few pleasant surprises last month. Pending sales during November outgained the same month a year ago, marking the first year-over-year increase since April, when the tax credits expired.

Also noted as encouraging were an upswing in relocation sales, shrinkage in the number of new listings added to inventory, and a year-to-date volume of closed sales that is outpacing 2009.

Northwest MLS director OB Jacobi described last month's gain in the number of transactions written as “surprising.” “That's surprising, since November is typically one of the slowest sales months of the year, and this year we essentially lost a week to poor weather conditions.” Jacobi, the general manager at Windermere Real Estate Company, also reported increased activity at open houses last month.

Jacobi suggested the increase in sales was due in part to an uptick in interest rates that motivated some buyers to move forward, combined with a desire for people to be in their new homes before the holidays.

Members of NWMLS, which covers 21 counties in Washington, reported 4,987 pending sales of single family homes and condominiums during November. That volume of mutually accepted offers was up about 2 percent from twelve months ago, when brokers logged 4,888 pending sales.

In the four-county Puget Sound region, pending sales rose more than 2.8 percent, from 3,829 a year ago to last month's total of 3,938. That's the highest November volume since 2006.

"We're seeing an upswing in relocation sales after a long lull, which indicates a positive sign in terms of local hiring," Jacobi remarked, adding, "Employers traditionally want new hires in place by the first of the year, so sales are happening now."

House-hunters have ample choices in most price ranges, with inventory currently priced from \$15,000 for a manufactured home in Shelton (Mason County) to a \$28.8 million home on Mercer Island.

Inventory is up slightly (1.6 percent) from twelve months ago, but fewer new listings were added during November compared to a year ago. At month end, NWMLS tallied 36,835 active listings of single family homes and condominiums in its database, which compares to the year-ago total of 36,266 listings.

Members reported 6,340 new listings during November, about 6.8 percent fewer than a year ago when they added 6,801 residential properties. Last month's additions included 5,401 single family homes and 939 condominiums.

The shrinkage in new listings coming onto the market is lowering the month's supply of inventory in those areas, noted J. Lennox Scott, chairman and CEO of John L. Scott Real Estate. Area-wide, there is about a 7.3 month supply at the current sales pace. King County has about a 5.7 month supply. The National Association of Realtors (NAR) reported a 10.5 month supply at the end of October. (A market with a supply of approximately six months is considered balanced, favoring neither buyers nor sellers.)

With inventory plentiful, brokers say buyers are taking their time before making any decisions.

"Move-up buyers are moving into the market," Jacobi said, but noted, "They know value and have the luxury of time. Buyers are willing to wait for the right home at the right price, and then they jump on it. A few years ago, the hares were driving the market. Now it's the tortoises. Today's buyer's motto seems to be: Slow and steady wins the race."

Commenting on move-up buyers, Lennox Scott noted an increase in home sales last month in the mid-price ranges in both Seattle and the Eastside.

Prices on sales that closed last month dipped below year-ago totals. The median price area-wide for November's closed sales of single family homes and condominiums was \$250,000, down about 5.7 percent from the year-ago figure of \$265,000.

In King County, prices edged up slightly, from \$337,000 to \$340,000. Clallam, Grant, Jefferson, Okanogan, San Juan, Skagit and Whatcom counties also reported year-over-year price gains.

Condominium prices continue to slump. The median price for last month's closed sales was \$204,500, down more than 11 percent from twelve months ago when the median price was \$229,950.

Through eleven months, the volume of closed sales for 2010 is slightly ahead of 2009 (up 1.2 percent).

Tight credit continues to worry brokers, despite favorable affordability conditions.

"Everyone is wondering how long interest rates are going to remain low, but that's impossible to predict with certainty," observed Lennox Scott. "At the moment at least, they're at near-historic lows, but every one percent increase in interest rates reduces buying power by 10 percent. And this can have a significant impact on a person's ability to buy a home," he stated.

NAR's chief economist, Lawrence Yun, expects the recent sales pattern to continue. In remarks accompanying NAR's latest report on the housing market, he described it as experiencing an uneven recovery. The temporary

foreclosure stoppage in some states is likely to have held back a number of completed sales, he noted. "Still," he said, "Sales activity is clearly off the bottom and is attempting to settle into normal sustainable levels."

Northwest Multiple Listing Service, owned by its member brokers, is the largest full-service MLS in the Northwest. Its membership includes more than 24,000 brokers and agents. The organization, based in Kirkland, currently serves 21 counties in Western and Central Washington.

Statistical Summary by Counties: Market Activity Summary- November 2010

| Single Fam. Homes + Condos | LISTINGS | | PENDING SALES | CLOSED SALES | | |
|----------------------------------|--------------|---------------|------------------|--------------|------------------|------------------|
| | New Listings | Total Active | # Pending Sales | # Closings | Avg. Price | Median Price |
| King | 2,457 | 11,867 | 2,014 | 1,331 | \$418,341 | \$340,000 |
| Snohomish | 1,058 | 5,129 | 854 | 572 | \$277,901 | \$254,975 |
| Pierce | 994 | 5,636 | 843 | 625 | \$233,591 | \$208,500 |
| Kitsap | 306 | 1,714 | 227 | 187 | \$263,642 | \$230,000 |
| Mason | 74 | 735 | 51 | 28 | \$195,329 | \$155,000 |
| Skagit | 152 | 1,104 | 91 | 78 | \$270,730 | \$233,500 |
| Grays Harbor | 111 | 943 | 55 | 43 | \$125,527 | \$119,900 |
| Lewis | 87 | 769 | 58 | 33 | \$165,110 | \$145,000 |
| Cowlitz | 96 | 632 | 73 | 50 | \$158,578 | \$158,250 |
| Grant | 60 | 576 | 42 | 45 | \$171,050 | \$162,900 |
| Thurston | 287 | 1,676 | 212 | 220 | \$235,620 | \$215,000 |
| San Juan | 23 | 435 | 19 | 8 | \$744,188 | \$510,000 |
| Island | 127 | 972 | 62 | 47 | \$301,538 | \$240,000 |
| Kittitas | 49 | 464 | 45 | 35 | \$234,273 | \$190,900 |
| Jefferson | 39 | 489 | 24 | 23 | \$286,757 | \$293,000 |
| Okanogan | 25 | 386 | 19 | 16 | \$227,219 | \$198,000 |
| Whatcom | 215 | 1,665 | 200 | 144 | \$258,987 | \$243,500 |
| Clark | 35 | 285 | 27 | 20 | \$203,116 | \$196,500 |
| Pacific | 33 | 386 | 16 | 23 | \$149,644 | \$124,000 |
| Ferry | 6 | 55 | 0 | 2 | \$69,250 | \$69,250 |
| Clallam | 47 | 440 | 20 | 31 | \$287,240 | \$219,000 |
| Others | 59 | 477 | 35 | 22 | \$180,245 | \$179,500 |
| MLS TOTAL | 6,340 | 36,835 | 4,987 | 3,583 | \$310,447 | \$250,000 |

4-county Puget Sound Region Pending Sales (SFH + Condo combined)

(totals include King, Snohomish, Pierce & Kitsap counties)

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|-------------|------|------|------|------|------|------|------|------|------|------|------|------|
| 2000 | 3706 | 4778 | 5903 | 5116 | 5490 | 5079 | 4928 | 5432 | 4569 | 4675 | 4126 | 3166 |
| 2001 | 4334 | 5056 | 5722 | 5399 | 5631 | 5568 | 5434 | 5544 | 4040 | 4387 | 4155 | 3430 |
| 2002 | 4293 | 4735 | 5569 | 5436 | 6131 | 5212 | 5525 | 6215 | 5394 | 5777 | 4966 | 4153 |
| 2003 | 4746 | 5290 | 6889 | 6837 | 7148 | 7202 | 7673 | 7135 | 6698 | 6552 | 4904 | 4454 |
| 2004 | 4521 | 6284 | 8073 | 7910 | 7888 | 8186 | 7583 | 7464 | 6984 | 6761 | 6228 | 5195 |
| 2005 | 5426 | 6833 | 8801 | 8420 | 8610 | 8896 | 8207 | 8784 | 7561 | 7157 | 6188 | 4837 |
| 2006 | 5275 | 6032 | 8174 | 7651 | 8411 | 8094 | 7121 | 7692 | 6216 | 6403 | 5292 | 4346 |
| 2007 | 4869 | 6239 | 7192 | 6974 | 7311 | 6876 | 6371 | 5580 | 4153 | 4447 | 3896 | 2975 |
| 2008 | 3291 | 4167 | 4520 | 4624 | 4526 | 4765 | 4580 | 4584 | 4445 | 3346 | 2841 | 2432 |
| 2009 | 3250 | 3407 | 4262 | 5372 | 5498 | 5963 | 5551 | 5764 | 5825 | 5702 | 3829 | 3440 |
| 2010 | 4381 | 5211 | 6821 | 7368 | 4058 | 4239 | 4306 | 4520 | 4350 | 4376 | 3938 | |



November Monthly Monitor
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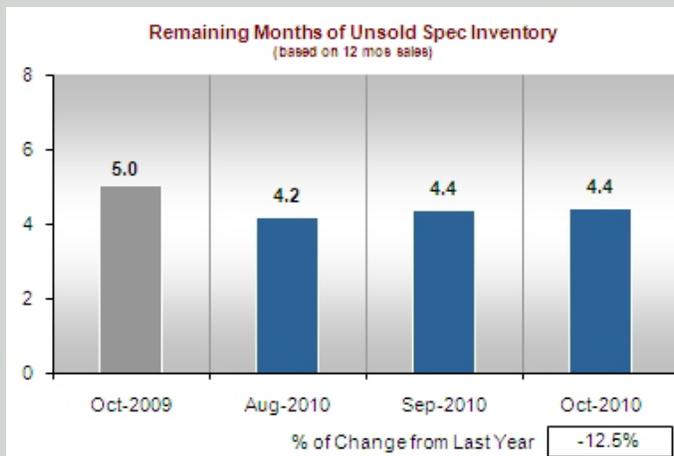
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The Monthly Monitor

The Monthly Monitor is an overview of the new single-family home market and the economic indicators that drive the housing industry. The report is available for Puget Sound, Portland Metro, Spokane, and Boise. Regional reports are available free of charge on our website at NewHomeTrends.com. County level Monthly Monitor reports can be purchased for \$45. [Contact Cory](#) to learn more or place an order.



Puget Sound Area New Construction Spec Inventory

The supply of unsold speculative inventory is dwindling. Current there is about a four and a half month supply. This is down 13.5 percent from inventory levels of a year ago.

Puget Sound New Construction Home Sales



It appears as though things are quietly beginning to trend up. Puget Sound area new construction sales have increased nearly two percent year-over-year. Perhaps this is a sign of market equilibrium.

Heart Association Alters the ABCs of CPR

The American Heart Association is re-arranging the ABCs of cardiopulmonary resuscitation (CPR) in its 2010 guidelines.

Recommending that chest compressions be the first step for lay and professional rescuers to revive victims of sudden cardiac arrest, the association said the A-B-Cs (Airway-Breathing-Compressions) of CPR should now be changed to C-A-B (Compressions-Airway-Breathing). These compressions should be started immediately on anyone who is unresponsive and not breathing normally, according to updated guidelines.

Every five years, hundreds of leading resuscitation experts from around the world review all new and existing research as part of an international consensus process. This review becomes the basis for any revisions to guidelines for resuscitation.

“For more than 40 years, CPR training has emphasized the ABCs of CPR, which instructed people to open a victim’s airway by tilting their head back, pinching the nose and breathing into the victim’s mouth, and only then giving chest compressions,” said Michael Sayre, M.D., co-author of the guidelines and chairman of the American Heart Association’s Emergency Cardiovascular Care (ECC) Committee. “This approach was causing significant delays in starting chest compressions, which are essential for keeping oxygen-rich blood circulating through the body. Changing the sequence from A-B-C to C-A-B for adults and children allows all rescuers to begin chest compressions right away.”

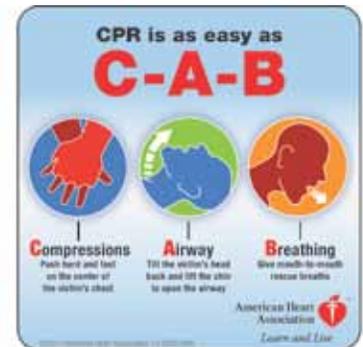
All victims in cardiac arrest need chest compressions. In the first few minutes of a cardiac arrest, victims will have oxygen remaining in their lungs and bloodstream, so starting CPR with chest compressions can pump that blood to the victim’s brain and heart sooner. Research shows that rescuers who started CPR with opening the airway took 30 critical seconds longer to begin chest compressions than rescuers who began CPR with chest compressions.

- The change in the CPR sequence applies to adults, children and infants, but excludes newborns.
- Other recommendations, based mainly on research published since the last AHA resuscitation guidelines in 2005:
 - During CPR, rescuers should give chest compressions a little faster, at a rate of at least 100 times a minute.
 - Rescuers should push deeper on the chest, compressing at least two inches in adults and children and 1.5 inches in infants.
 - Between each compression, rescuers should avoid leaning on the chest to allow it to return to its starting position.
 - Rescuers should avoid stopping chest compressions and avoid excessive ventilation.
 - All 9-1-1 centers should assertively provide instructions over the telephone to get chest compressions started when cardiac arrest is suspected.

“Sudden cardiac arrest claims hundreds of thousands of lives every year in the United States, and the American Heart Association’s guidelines have been used to train millions of people in lifesaving techniques,” said Ralph Sacco, M.D., president of the American Heart Association. “Despite our success, the research behind the guidelines is telling us that more people need to do CPR to treat victims of sudden cardiac arrest, and that the quality of CPR matters, whether it’s given by a professional or non-professional rescuer.”

Since 2008, the American Heart Association has recommended that untrained bystanders use Hands-Only CPR — CPR without breaths — for an adult victim who suddenly collapses. The steps to Hands-Only CPR are simple: call 9-1-1 and push hard and fast on the center of the chest until professional help or an AED arrives.

The CPR and ECC guidelines are science-based recommendations for treating cardiovascular emergencies — particularly sudden cardiac arrest in adults, children, infants and newborns. The American Heart Association established the first resuscitation guidelines in 1966.



The new guidelines, *2010 American Heart Association Guidelines for Cardiopulmonary Resuscitation and Emergency Cardiovascular Care*, are published in *Circulation: Journal of the American Heart Association*.

The year 2010 marks the 50th anniversary of Kouwenhoven, Jude, and Knickerbocker's landmark study documenting cardiac arrest survival after chest compressions.

The American Heart Association established guidelines for resuscitation in 1966, and since then, other major organizations around the world have continued to use our guidelines as the basis for their own resuscitation training,

Save Energy and Money during Winter Months

From adjusting thermostats to having heating systems serviced, now is the time to heed the advice of utilities and energy saving experts to stay cozy and avoid skyrocketing gas, oil and electricity bills. Here are some of their top tips:

1. Conduct an energy assessment. These audits can help identify problems that, when corrected, could help avoid unnecessary expenditures.
2. Reset programmable thermostats from 72 degrees to 65 degrees for eight hours a day (for instance, while no one is home or while everyone is tucked in bed). This adjustment can yield a 10 percent savings in heating bills.
3. Keep your radiators, registers and baseboard heaters dirt and dust free.
4. Turn your water heater down to 120 degrees Fahrenheit.
5. Use locks on your windows to make them tighter and draft resistant.
6. Weatherize your home by caulking and weather-stripping all doors and windows.
7. Hire a qualified technician to conduct a blower door test, which can reveal the location of many air leaks. The most common places where air escapes homes are: floors, walls, ceilings, ducts, fireplaces, plumbing penetrations, doors, windows, fans, vents and electrical outlets. Other sources of leaks are mail chutes, where dryer vents pass through walls, and outlets for cable TV and phone lines. Reducing air leaks could cut 10 percent from an average household's monthly energy bill.
8. Cover through-the-wall air conditioners to prevent cold air from leaking into your home.
9. Have your heating system serviced once a year and regularly replace furnace filters. During the heating season, change or clean furnace filters once a month.
10. If you use a fireplace, make sure it is in good shape and equipped with heat-retaining features (including blowers, intake tubes and radiant grates and inserts). Use "eco-friendly" logs. Close the fireplace damper when not in use.
11. Keep draperies and shades on south facing windows open during the day to allow sunlight to enter your home and closed at night to reduce the chill you may feel from cold windows.
12. Insulate or increase the amount of insulation in your attic, basement, crawl space and outside walls.
13. Don't block your radiators or heating vents with furniture or draperies. Keep your radiators, registers and baseboard heaters dirt and dust free. Close vents and doors in unused rooms.
14. Switch from incandescent bulbs to compact fluorescent bulbs. CFL bulbs can reduce your lighting energy usage up to 75%. (When replacing, be sure to follow recycling instructions.)
15. Install water-flow restrictors in showerheads and faucets.
16. Place a sheet of aluminum foil between the radiator and the wall to reflect heat back into the room.

By taking a whole-house approach to saving energy and minimizing pollution output, you can expect to stay warm while saving money in the coming winter months and beyond.

“It’s Still a Relationship Business”

Few can deny a lot about the real estate business has changed. “What hasn’t changed is that, at the end of the day, this is still a relationship business.”

Ron Phipps, 2011 president of the National Association of Realtors and a third-generation real estate professional, made that comment during an interview with Maria Patterson, executive editor at RISMEDIA.

“The availability of information has changed, the way we finance has changed, the way we negotiate, the way we broker, and the way we market,” are among changing aspects of the business Phipps cited.

Phipps said technology has made him more efficient and able to do more work, but he believes his role is similar to what it was 30 years ago in that people need him to look at the data, analyze it and give them great advice. “The challenges of the last five or six years really demonstrate how important our advice is and that speaks volumes.”

Asked to identify priorities as he assumes the helm, Phipps, the principal broker at Phipps Realty in Warwick, R.I., listed the availability of mortgage credit as the most pressing challenge. “We cannot get buyers into homes until funds for lending open up,” he stated.

“NAR believes that everyone who wants to own a home and is able to afford one should be able to do so, Phipps emphasized. There’s a reason homeownership is called the American Dream, he continued. “It benefits individuals and families, strengthens our communities, and is integral to our nation’s economy.”

With signs of a stabilizing market, Phipps said the real challenge is making sure there’s a common sense, efficient mortgage approval in place, a theme he repeated in remarks at the 2010 REALTORS® Conference and Expo.

“As we make progress toward real estate and economic recovery, Realtors are focused on making sure that homeownership is both attainable and sustainable,” but added, “However, we know that the old way of doing things just won’t work. We need a new model for both government and the private market.”

With the annual conference coinciding with revelations about improper foreclosure procedures that are creating confusion and uncertainty in the market, Phipps emphasized the importance of addressing this serious problem. “Homeowners must be reassured that, if they are facing foreclosure, the review process will be accurate and timely. Home buyers and investors must have confidence that the seller of any property is able to convey clear title. We urge lenders to assess the situation and correct any problems they identify, as soon as possible, to restore confidence in the system.”

Phipps said NAR is actively engaged in helping keep more owners in their homes, but when this is not possible, Realtors encourage a streamlined short sale process to help families avoid foreclosure. Toward this end, he said NAR has met with officials of top banks over the past few months to urge banking leaders to improve their loan modification and short sale processes.

As he embarks on what he describes as “ambitious and powerful goals” for 2011, Phipps said what speaks most directly to people is the notion of homeownership. “I take exception to those who say homeownership is not and should not be the American Dream. If we are effective as an organization, then we will embrace our code of ethics with the concept that sustainable homeownership is good for everyone. We should not let the mistakes of five years ago change the tradition. While Thomas Jefferson talked about life, liberty and the pursuit of happiness, in Britain, they talk about life, liberty and property. I want to acknowledge that the pursuit of happiness includes homeownership.”

Phipps said his most important goal is that “we, as an organization, persuasively articulate the value of homeownership for all citizens, all families and all people. At the end of the day, we are involved in the shelter business and owning your shelter is still better than renting it.”



REALTORS® Thanking Troops with Support for Two Charities

Coinciding with the holidays, the National Association of REALTORS® is giving thanks to American troops. Two national charities are receiving support from NAR – Operation American Soldier and USA Cares.

NAR will provide care packages and housing assistance to support soldiers and their families here in the U.S. and abroad.

Operation American Soldier, one of the causes that will receive assistance from NAR, is run by Wendy and John Rocca, REALTORS® from Watertown, Mass. Operation American Soldier was founded in 2003 by the Roccas when they learned from their daughter stationed overseas that some soldiers were not receiving mail. With the help of hundreds of volunteers, the charity assembles and ships care packages and hand written letters to soldiers overseas who wouldn't otherwise receive mail. Since 2003 Operation American Soldier has shipped more than 30,000 pounds of packages filled with snacks, beverages, books, magazines and other items. Care packages can be sponsored for \$10, \$15, or \$25.



In November during NAR's annual conference in New Orleans, the Roccas were recognized as a Good Neighbor Award winner and received a \$10,000 grant. The Good Neighbor Awards are conferred annually since 2000 and nominees are judged on their personal contribution of time, as well as financial and material contributions to their cause. NAR's help will send an additional 4,000 deluxe care packages to soldiers.



The second charity receiving NAR assistance is USA Cares, through NAR's successful Facebook Causes campaign, Operation Home Relief, sponsored by HouseLogic. NAR launched Operation Home Relief in October through its consumer website, HouseLogic.com, a free comprehensive website about homeownership. Consumers can "join" the Cause or donate to it and HouseLogic will donate one dollar for every "join" as well as match donations dollar for dollar up to a specified amount, which was initially \$20,000. The Cause quickly became one of the fastest growing causes

Facebook has experienced, reaching the initial goal in 20 days.

Operation Home Relief aims to increase awareness, rally support and raise funding for USA Cares, a nonprofit that provides foreclosure assistance in the form of financial counseling and grants to post-9/11 active duty U.S. military service personnel, veterans and their families. Due to rapid success, HouseLogic increased its match grant to USA Cares by \$11,000 on Veterans Day. HouseLogic will sponsor the charity through the holidays.

To contribute donations to Operation American Soldier, visit the Rocca's website at www.operationamericansoldier.com. Visit www.houselogic.com to find a link to the Operation Home Relief Facebook Cause campaign.

USA Cares is a nonprofit 501(c) 3 organization that helps post-9/11 military and their families with basic needs, assists veterans suffering from post-traumatic stress disorder (PTSD) and traumatic brain injury (TBI) and their families and works to prevent private military home foreclosures and evictions. In seven years, USA Cares has received over 24,000 requests and responded with more than \$7 million in grants.

Military families anywhere in America can apply for assistance through the USA Cares web site, www.usacares.org or by calling 800-773-0387.

"During this Thanksgiving and holiday seasons the REALTOR® family would like to recognize the tremendous sacrifice by our service men and women, as well as their families," said NAR President Ron Phipps, broker-

president of Phipps Realty in Warwick, R.I. REALTORS® work every day to ensure the American Dream is a reality for all Americans, while at the same time our troops defend and protect that same dream. We strongly believe these two causes are worthy of NAR's attention and will directly impact the soldier and their loved ones during the holiday season."

The National Association of REALTORS®, "The Voice for Real Estate," is America's largest trade association, representing 1.1 million members involved in all aspects of the residential and commercial real estate industries.

2010 Annual Report

Legislative Advocacy Accomplishments

Available as a separate PDF (20 pages)

Is Your Firm Profiting From the New Consumer Profile?

By Jeremy Conaway

Last month we talked about the opportunities and challenges facing today's real estate broker as a direct result of the squeeze between current economic forces and the rapidly transitioning demands and expectations of a new media and marketing landscape. We encouraged all firms to be drafting marketing plans, even if they lack the resources to actually fund their plan.

This month's topic is somewhat akin to last month's observations. Just as the media being used to communicate with today's consumer are evolving from digital to online, so are the profile, expectations and demands of today's consumer rapidly transitioning. Nowhere can this transition be seen more dramatically than in the emerging results of the 2010 census.

This article is intended to assist the reader to better understand the nature of this shifting consumer profile. At the outset, let us discuss why this information will be critical to the success of the average real estate broker. As has been discussed in great detail in previous presentations, those brokerages that are transitioning into the new "track B" configuration will be adopting firm-wide knowledge and learning programs. Obviously, an important element of such a program will be a sound understanding of virtually everything relating to today's very fluid consumer. On the other hand those firms who are opting to continue a more traditional operational model will want to take note of the fact that the long time 80/20 (twenty percent of agents account for 80% of production) rule has been slowly migrating to a 90/10 model.



A number of observations come out of this state of affairs. The first is that this elite 10% of agents is generally older (50+). Accordingly, and with all due respect, it can be suggested that it is likely that this group is operating on experiential data rather than new knowledge. More simply put, this group is likely to be working their traditional customer base, thus leaving the brokerage without representation within the new market sectors being created as a result of the new consumer profile shift.

Given the dramatic shifts currently taking place in the consumer demographic, no brokerage can afford to opt out of any new consumer sector without serious thought and reflection. At the same time, what firm can afford to ignore this amazing level of opportunity simply because their veteran agent pool is focusing their attention on a smaller and smaller traditional farming area?

Let's take a look at some of these new consumer sectors. Consider the fact that one third of all homebuyers are single. Nearly six million children in the United States are being raised by committed same sex couples. Single childless women, in many major cities, now out earn their male counterparts. Nearly half of the baby boomers (age

50 – 60) are actively using social media. Only one in five new households in the U.S. in 2009 was non-Hispanic whites. There has been a 14% increase in the number of non-married households. Women within the 25 – 39 age range now make up 46% of those earning bachelor's degrees in science and engineering. During the next six years the 82 million members of the millennial generation will hit their economic stride. Huge changes are occurring in the "mother profile." Teen births are down to just 10% lower than births for women aged 35 and older. Four out of ten children are born to single mothers.

Another area in which consumer demographics and expectations are changing is within the multicultural sector, especially with respect to assimilation. Research by such organizations as GlobalHue Africanic has determined that cultural assimilation in most of the major ethnic groups has slowed over the last several years. The one, almost frantic, preoccupation of traditional immigrants to America was to "fit in" and become part of the mainstream. Over the past decade that tendency has cooled significantly. In its place, immigrants are opting to create lifestyles within their native cultures as practiced in local communities with accommodations to the mainstream only where it is either necessary or preferable. If this is not confusing enough, consider the fact that in 2009 16% of marriages were between non-Caucasian individuals of different ethnic backgrounds. This trend has created a growing number of "bi-cultural" households where two cultures are respected and practiced.

No consumer trend is as interesting and challenging as that involving gender based demographics. As a starting point, readers are encouraged to read *The Rise of the Real Mom* and *The Reality of Working Women*, two really important white papers produced by the Meredith organization. The first publication traces the rise and fall of the "super mom" movement and provides an excellent statement relative to the status and current attitude and direction of those women who thought they could be all things to all of the people in their lives. The second Meredith publication takes a look back to the women's liberation movement over the final decades of the 20th century. It observes that at the beginning of this period women had few resources, little money, little education and little or no influence. The best that could be said was that they knew something was wrong but not exactly what it was. Coming out of this period however women have education, power, influence, money and they knew exactly what was wrong. The thesis of the white paper is that women will now move to fix that which they believe is wrong, and in doing so may become the single most powerful dynamic in the American culture. Consider the recent success of the "Tea Party" as evidence of this thrust.

Using these two documents as a starting point, the reader will quickly come to the conclusion that "as it relates to household buying power and influence men are on their way out and women are on their way in." The rest is just details. However, within these details lie many of the real estate marketing secrets, moving forward. For those seeking a bit more graphic detail the article entitled "*The End of Men*" which ran in this summer's *Atlantic Magazine* might prove illuminating. It is sufficient to say that this movement has set off a virtual avalanche of new marketing initiatives, perhaps lead by Proctor and Gamble's new manofthehouse.com website that was designed to assist men to accommodate their new household duties.

The importance of all of these trends and directions are critical to the real estate brokerage seeking success in the new era. Brokers must set up formal knowledge and learning programs to bring this information into their businesses, while at the same time understanding which will impact their local communities, and determining how they will expand their consumer experience to embrace this new consumer profile. Agent panels must be briefed and trained to market within these new sectors.

In the same vein, newly formed firms that are looking for ways to plant the seeds of their future success may find these new market sectors the perfect opportunity to gain market share in geographic locations seemingly over-occupied by traditional firms.

In either event these are times of amazing opportunities for those who are willing to do their homework. Get started today. We can do this.

Tips for decluttering and discarding paperwork

Nearly two-thirds (63.5 percent) of respondents in a recent survey described their homes as at least moderately disorganized. An even larger number (71 percent) said their quality of life would improve if they were better organized.

If your end-of-year planning or New Year's resolutions include decluttering and getting paperwork organized, there are plenty of practical tips from online sources. *Consumer Reports*, Bankrate and the National Association of Professional Organizers (NAPO) are among some of these resources.

NAPO, founded in 1985, has more than 3,800 members throughout the world. Its website (napo.net) includes a searchable directory. Its Seattle Chapter, the only NAPO chapter in the state, welcomes guests at its programs (seattlenapo.com).

In anticipation of its annual "Get Organized Month," held every January, NAPO suggests the winter holidays are a good time to start getting more organized. The group offers "Seven Golden Solutions for Holiday Organizing." The tips include:

NAPO's 7 Golden Solutions for Holiday Organizing:

1. Involve the family and complete a pre-holiday toy clean-out event. Clean out the old, broken, and abandoned toys. Donate toys that are no longer played with, but in good condition, to a local charity.
2. Make clean up and organizing easy for kids by creating zones and centers for things that need to be done. For example, a lunch making center in the fridge/pantry and labeled bins for art supplies that fit neatly on a shelf.
3. When running errands, make a list and plan a route before leaving home. Start with the store furthest from your house and work your way back home.
4. Do NOT enter a store without a carefully crafted list. Having and sticking to the list ensures you are buying, not shopping. Shopping without a list is a time waster and can lead to unplanned purchases that might not have a place or purpose in your home and can exceed your budget.
5. Buy gifts that don't involve *stuff*. Some ideas include a "Day Out": movie tickets, a trip to a local zoo, science center or aquarium.
6. Take pictures of your child then use a software program to make a movie set to background music. Burn copies of the movie on disc and give to family and friends.
7. Quickly locate instruction manuals by filing in a portable filing box.

For many people, one nemesis of getting organized is paperwork.

Chances are you're storing lots more paper than you need to, according to *Consumer Reports*. Switching to electronic statements and records and preparing a list of important documents and their locations can yield valuable benefits, especially in the event of a fire, flood, theft or other catastrophe.

In addition to making it easier to find receipts and pay bills on time, having an electronic list of important documents (including log-ons and passwords) can be very helpful to the person you've designated to carry on your affairs when you pass away. *Consumer Reports* recommends including details on locating your safe-deposit box inventory and key, plus the whereabouts of any insurance policies. "Give the list to loved ones and be vigilant about updating it," the publisher urges.

In its October edition, *Consumer Reports* published a table listing which documents to keep at home and which to keep in a safe-deposit box. (e.g., Store personal and family records such as birth and death certificates, marriage licenses, divorce decrees, Social Security cards, and military discharge papers in the safe-deposit box; those documents should never be discarded.)

The table also includes a timeline on when it's okay to discard certain paperwork:

<http://consumerist.com/2010/10/what-financial-paperwork-can-you-safely-toss.html>

Bankrate produces similar tips. Its chart (bankrate.com) lists various types of financial records, including taxes, retirement/savings plan statements (among others) and how long such records should be kept. It also explains reasons for different durations.

One professional organizer offers quick-reference tips on which papers to toss weekly, monthly, quarterly or at other intervals. Samantha Buck, owner of Life Organize It.com, includes a section on her website titled "Keep indefinitely . . . just in case." In another section, she recommends creating a detailed inventory of your home room by room. "Check out www.knowyourstuff.org for easy and free downloadable software that helps you take inventory of your home room by room," she suggests, adding, "This is invaluable if you should ever need to file a claim on your home owner's policy. Be sure to include confirmation of purchase price for high value items for insurance purposes in the inventory."

May your New Year be clutter-free!

Americans becoming "handshake-hesitant"

Is the fear of germs about to render the handshake -- a custom that dates to medieval times -- passé? Maybe, according to a recent survey.

Forty percent of American adults (nearly 92 million people) have hesitated to shake hands with someone because they were afraid of germs. An even larger number, 55 percent, confess they would rather touch a public toilet seat than shake someone's hand after they've coughed or sneezed into it.

The survey, commissioned by PURELL® Instant Hand Sanitizer, found 80 percent of Americans are shaking hands less frequently than they did 25 years ago. Instead of shaking, they're hiding their hands: About half of Americans have chosen the fist bump over a classic handshake for reasons including fear of germs (15 percent), sweaty palms (13 percent) and dry hands (6 percent).

The handshake, perhaps the most common gesture of greeting and agreement in the modern world, can be traced to medieval times as a signal to rivals that they were unarmed and safe. Now that it is becoming a red flag for germ transmission, handshaking is on the decline.

Although reports reveal public hand washing is improving, researchers acknowledge there isn't always a sink in the boardroom, on the playground or in stores where people are greeting one another and shaking hands. With three in five (61 percent) of Americans agreeing they would be less hesitant to shake hands if they had a bottle of hand sanitizer, survey sponsors conclude there is still hope for this time-honored social institution.

"Germs lurk everywhere. They can accumulate on our hands and spread to others when we shake hands," said Dr. Keri Peterson, an internist at Lenox Hill Hospital who was retained to review the survey results and consult on hand hygiene. "There is no reason to refuse a handshake and miss out on this opportunity for camaraderie, or worse yet, risk offending a colleague, family member or friend," the New York doctor remarked. Practicing proper hand hygiene can help prevent the spread of germs and help keep the handshake alive, she believes. "Sneeze and cough into the crux of your elbow, or use a tissue, and wash your hands or use an alcohol-based hand sanitizer after shaking hands and before touching your face," she advises.

According to The Centers for Disease Control and Prevention (CDC), proper hand hygiene is the single best way to prevent infection and illness. When soap and water are not available, the use of alcohol-based hand sanitizers is recommended to reduce the spread of germs that may cause illness. PURELL, which commissioned the study, claims its product kills 99.99 percent of the most common germs that may cause illness, and is the leading brand preferred by doctors, pharmacists and hospitals.

Researchers also asked survey participants about their handshaking traditions and beliefs. Among findings researchers reported:

- About three in four (76 percent) American adults learned how to shake hands from a family member.
- A majority of parents (74 percent) believe their child should learn how to properly shake hands when or before they start school.
- However, one-fourth of parents (25 percent) have actually encouraged their child not to give a handshake. Of these, 68 percent said it was because of germs.
- The majority of American adults (56 percent) believe that cold and flu germs are the worst part of winter handshake.
- Half of American adults living on the East Coast (50 percent) have hesitated to give a handshake due to fear of germs. However, those on the West Coast are the least concerned with passing germs -- only 35 percent have hesitated to shake hands.
- More than 59 million American adults who identify themselves as a germaphobe -- that's more than a quarter (26 percent) of Americans!
- Women are more likely than men to admit fear of germs (30 percent and 21 percent respectively).
- Younger Americans are more likely to identify themselves as germaphobes -- 42 percent of Millennials versus 27 percent of Generation X and 21 percent of Boomers.

"The handshake is a powerful, intensely personal gesture," said Dr. David B. Givens, director of the Center for Nonverbal Studies in Spokane. "It is a virtually universal way to reach out and touch a fellow human being," he explained, adding, "In the context of business, we rely on handshakes to meet, greet, and 'seal a deal.' Our mutual, palm-to-palm grasping establishes trust, and is far more intimate, emotional, and meaningful than less personal gestures like the fist bump." Commenting on the findings, the doctor (and study consultant) described them as "significant and alarming, "but said he was encouraged that the use of alcohol-based hand sanitizers could represent an antidote to the possible demise of our warm, human handshake."

News In Brief

- **An initial draft proposal for reducing the federal deficit that suggests cuts to the mortgage interest deduction is thin on details and will likely change many times before it's released in any final form, according to NAR.**

The *New York Times* published part of a leaked draft by the co-chairs of President Obama's Deficit Reduction Commission; the commission's report won't be released until Dec. 1 at the earliest and will likely look very different from the leaked draft, NAR analysts say. NAR said media reports that the commission has recommended reducing the mortgage interest deduction are false.

The White House itself said in a statement released Wednesday that the draft is "only a step in the process toward coming up with a set of recommendations." The White House quote was included in a Nov. 11 report in the *Washington Post*.

What the actual report will look like is impossible to know at this point, because 14 of the 18 members at a minimum must agree to the recommendations before the report can be released. Presuming commission members agree or all or parts of a plan, it would still have to work its way through congressional hearings before Congress would take any action.

- **Washington REALTORS® holds its legislative "hill day" on Thursday, January 20th at the Red Lion Hotel in Olympia.** The program starts at 9 a.m. and hill visits with state legislators will be conducted during the day of January 20th. For more information, please contact Washington REALTORS® at 360-943-3100.

- Mortgage applications to purchase homes increased 14.4 percent during the week of November 17th on an adjusted basis compared to the previous week, according to the Mortgage Bankers Association weekly survey.** The unadjusted Purchase Index increased 9.6 percent compared with the previous week and was down 7.4 percent compared to the same week a year ago. On a seasonally adjusted basis, this is the highest Purchase Index recorded since the week ending May 7, 2010 in the middle of the tax-rebate push.
- Low interest rates are not enough to bring the market into full recovery, real estate prognosticators say.** Kenneth Rosen, chair of the Fisher Center for Real Estate at the University of California, Berkeley, points to pent-up demand and cheap loans as pluses, but would like to see the Fed help community banks get back on their feet and resume lending. Unemployment is another enemy of a real estate recovery. Only 1.1 million of the nearly 8.5 million jobs wiped out by the recession have been added back since January, Rosen said. James Saccacio, CEO of RealtyTrac, says foreclosures are also likely to be a big factor until 2014.
- Wells Fargo will allow the postponement of a scheduled foreclosure in connection with a short sale in limited situations, the bank tells NAR.** For loans owned by Wells Fargo (including Wachovia loans) and other loans serviced by Wells Fargo but owned by an investor, the bank will allow one foreclosure postponement if 1) it has a short sale sales contract in hand that has been approved (including approvals from junior lien holders and mortgage insurers, if applicable), 2) the buyer has proof of funds or financing approved, and 3) the short sale can close within 30 days of the scheduled foreclosure sale. Not all investors allow for such postponements. In jurisdictions where the courts will not approve the delay, the postponement policy will not apply. Wells Fargo is willing to address situations that do not qualify under these guidelines on a case-by-case basis. For more info contact [Jeff Lischer](#), 202/383-1117.

Calendar of Events

| Dates | Event | Clock Hours | Time | Location | Contact |
|--|--------------------------------|-------------|----------------|------------------|----------------|
| SEATTLE-KING COUNTY ASSOCIATION OF REALTORS® | | | | | |
| 12/7 | Gov't Affairs Committee | | 10:30am-1:30pm | SKCR | (800) 540-3277 |
| 12/13 | "Washington Transition Course" | 3 | 9:30am-12:30pm | SKCR | (800) 540-3277 |
| 12/23-24 | Holiday – Closed | | | | |
| 1/12 | Board of Directors | | 10:30am-1:30pm | SKCR | (800) 540-3277 |
| 1/17 | Holiday – Closed | | | | |
| 1/20 | Legislative Hill Day | | 8:30am-8:00pm | Olympia Red Lion | (800) 562-6024 |
| For updates visit: www.nwrealtor.com and click "events" | | | | | |
| SNOHOMISH COUNTY-CAMANO ASSOCIATION OF REALTORS® | | | | | |
| For updates visit: www.sccar.com and click "events" | | | | | |