

MAY/JUNE 2009

PRINCIPAL *Broker*

The Independent Trade Magazine For The Professional Real Estate Industry

Oregon & Washington

www.principalbrokernorthwest.com

A
TOTAL
ECLIPSE
OF THE
SUN...

COMING TO A HOME NEAR YOU

advocate for your clients

FORECLOSURE & LOAN MODIFICATION SCAMS

Do you Stand Out in the Crowd?

With over 7,000 licensed real estate professionals in the metro area, how do you distinguish yourself from all the rest? Aside from the great service you deliver, what makes you different?

At Prudential Northwest Properties, we arm our agents with business-building programs and tools that create value, save time, and set them apart. **Maximize your exposure with automated marketing and sales tools that set you apart and keep you connected.**



Property Investment Profile is the ultimate prospecting and keep-in-touch tool. Want to see a report on your home? Go to prunw.com, click on "HOW MUCH IS YOUR HOME WORTH?"



Impress your clients and prospects with our exclusive **Market Tracker™**. It tracks market trends by zip codes in a fully customizable online report.



HomeFinder Pro™ is the most advanced listing notification tool in the marketplace. It delivers:

- Rapid updates of all new listings & price changes – usually within 10 minutes
- Interactive mapping with satellite images
- Email lead generators



Prudential Northwest Properties' online **Marketing Center** offers hundreds of distinctive electronic, print and multimedia tools to set you apart from the rest.

Let us make you look even better.

To learn more on how we can help you **stand out** in the crowd, please contact the Prudential Northwest Properties branch manager nearest you, or call 800-547-1982 today.

prunw.com



Prudential
Northwest Properties

In the Business of Creating a Great Experience.®

PUBLISHER Ken Elmer

PRODUCTION MANAGER Heather Hetzler

EDITOR Megan Wilber

CONTRIBUTING WRITERS Kirk Faulkner
Joel Grayson &
Janet Grayson
Linda Moore MacCoy
Steve Nassar
Richard Uffelmann

LAYOUT & DESIGN

the brick house project, Inc.
Friend us on Facebook!

Executive and Publishing Offices:
700 SE Clay, Portland, OR 97214
Telephone: (503) 525-0223
Fax: (503) 525-0224

Magazine Subscription Rate:
\$59.40 a year

Magazine is distributed to those engaged
in the Real Estate industry for free.

For subscription information, go online
at www.principalbrokernorthwest.com.

Copyright 2009, The Brick House Project, Inc.
Portland, Oregon. All rights reserved.

CONTACT:

700 SE Clay, Portland, OR 97214
Telephone: (503) 525-0223
Fax: (503) 525-0224
e-mail:

editor@principalbrokernorthwest.com
home page:

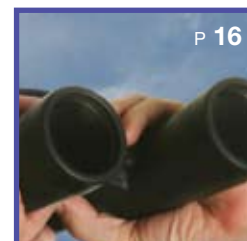
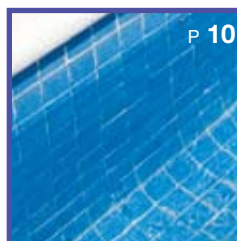
www.principalbrokernorthwest.com

Principal Broker was a James Breitbarth Concept, 2003.

4 | A TOTAL ECLIPSE OF THE SUN... COMING TO A HOME NEAR YOU

A unique parallel between a solar eclipse and today's perfectly aligned housing conditions. Discover why now is a once-in-a-lifetime opportunity to purchase a first home.

By Steve Nassar



10 | 2008 STIMULUS BILL CHANGES TAX CONSEQUENCES FOR SELLING SECOND HOMES

Learn the latest tax law changes affecting the results of the sale of a second home if it has been converted to a primary residence.

By Richard Uffelmann

12 | THE LENDING GAME:

The 411 on the new home valuation code of conduct (HVCC) Check out the latest about the new code that sets guidelines to ensure borrowers, buyers and secondary mortgage market investors receive fair and independent appraisals.

By Linda Moore MacCoy

16 | CAN YOU SEE CLEARLY NOW?

Explore one man's perspective on the importance of staying on track and maintaining one's goals and envisioned future.

By Kirk Faulkner

19 | FORECLOSURE AND LOAN MODIFICATION SCAMS

When it comes to foreclosure and loan modification experts, it is important for brokers to be aware of the issues that may arise when working with them.

By Joel Grayson & Janet Grayson

21 | NEWS & NOTES

A TOTAL ECLIPSE OF THE SUN...

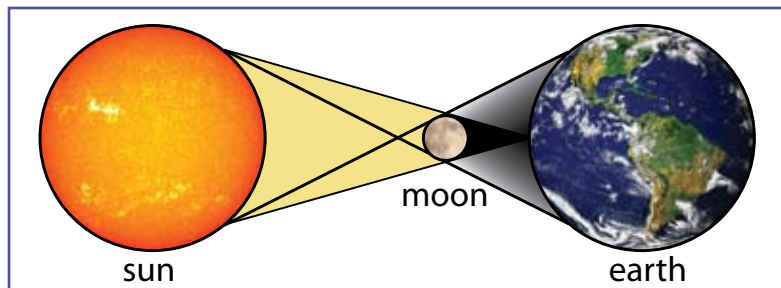
A total eclipse of the Sun is quite possibly the most spectacular event in all of nature and cannot adequately be conveyed through words or photographs. Few have ever witnessed one, but once seen, it is said to be an experience never forgotten. In a matter of minutes it can change from a hot, sunny day to a cool, dark night. The sky takes on an eerie twilight as the Sun slowly disappears behind the dark side of the Moon. When the total eclipse phase, or “totality” occurs, it becomes almost as dark as night with absolutely no moonlight to compensate. The temperature drops noticeably. The total phase of a solar eclipse is very brief, rarely lasting more than several minutes.

4 While the Sun is completely obstructed, the pitch black Moon is surrounded by a beautiful halo known as the solar corona. This plasma atmosphere surrounding the sun is nearly two million degrees in temperature and is only visible during this extremely rare phenomenon. Scientists who study the Sun’s corona will often have to wait years and travel great lengths to catch a glimpse of one during a total eclipse.

In ancient times, and even in some cultures today, a total eclipse could be frightening for those who were or are unaware of the astronomical explanation, as the Sun seemingly disappears in the middle of the day and the sky darkens in a matter of minutes. However, as the moon eventually glides past the sun and the sky begins to lighten once more, they would most likely realize that they had experienced something remarkable, something they would talk about for a lifetime.

To see a total eclipse in a person’s hometown is extremely rare as it requires the perfect alignment of three objects orbiting in space: the Sun, the Moon and the Earth. Around the world there is on average only one total eclipse visible every year and a half or so. Since the Moon is much smaller than the Earth, when one does occur, only a very narrow track of the Earth (less than 100 miles wide) is totally obstructed from the Sun. Following the rotation and orbit of these three entities, this path of totality will then travel a corridor thousands of miles long and all those who fall within this area are able to see the total eclipse.

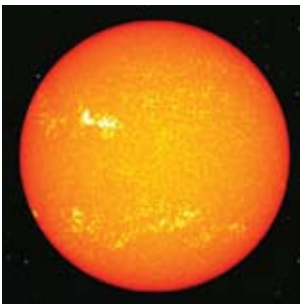
A partial eclipse can be seen by a much larger area outside of this relatively small corridor with the degree of the eclipse determined by one’s location. It is extremely rare for a person to see two total eclipses from one location in a lifetime. You would have to wait an average of 370 years to see two total eclipses from the same place. The last total solar eclipse visible from the entire continental U.S. occurred on Feb. 26, 1979. The next total solar eclipse visible from the U.S. will occur on Aug. 21, 2017.



As fascinating as the subject of a total eclipse may be, it noticeably parallels another rare phenomenon that is currently taking place. A total eclipse is strikingly similar to the opportunity that has recently presented itself for anyone who is fortunate enough to be in a position to buy a home and does not yet own one. There are *three individually fantastic* reasons that are perfectly aligned making right now a once-in-a-lifetime opportunity to purchase a first home. **These three reasons are as follows:**

COMING TO A HOME NEAR YOU

By Steve Nassar



1 - HIGH INVENTORY

I almost called this category “Tremendous Value”, but then I realized that title didn’t capture the full scope of this advantage. You see, tremendous value (low prices) and high inventory (many to choose from) are two very different, yet intertwined blessings.

High inventory usually creates tremendous value but tremendous value alone doesn’t necessarily create high inventory. So this category is about the high inventory that is causing the tremendous value in the housing market today.

Rarely has there been a time such as now when there are homes that can actually be purchased for less than the hard cost to simply build the structure, let alone the cost of the land that it sits on. I’ve observed numerous clients purchase very nice homes for less than \$90 per square foot. Even an inexpensive home can hardly be built for that cost. This is a brutal fact for homebuilders, but a blessing for homebuyers.

Keep in mind, however, homes in the lower price ranges are approaching levels where the difference between the costs of owning versus renting is rapidly closing. One cannot assume that all price points will bottom at the same time. The purchasing power of many is and will be concentrated in the more affordable price ranges where financing is still readily available with a fairly small down payment.

At the very least, look for a slowing in the rate of decline for lower priced homes if not an all-out stabilization or correction upwards from their currently undervalued position in many areas. This stabilization could occur without the general public being conscious of it. This is because many people attempt to gauge a bottom by watching the median sales price index. This index can be misleading for a couple of reasons. First, this

index typically lags at least two months behind what is actually happening. Trying to time a bottom based on information two months old is like trying to drive a car while looking in the rearview mirror.

Secondly, this index measures how the average sales price of an entire region is trending. The problem is that this is a very broad measurement and therefore can be confusing. When an area’s median sales price is down 10 percent, it does not mean that every single house has had its value drop exactly 10 percent. Remember that was the average. One house may have had its value drop 25 percent and another may have appreciated 5 percent. A troubled neighborhood or area of town may have seen values recede by 35 percent while a hot pocket may be experiencing a 15 percent bounce off of a fundamentally unsustainable low.

In all of those cases, when you combine the data, the average sales price ends up being down 10 percent. However, a person who is in the market to purchase the home that appreciated 5 percent or in that particularly hot area would be doing themselves a severe disservice if they were only watching the region’s median sales price index to gauge a bottom. Along these lines, it’s quite possible that the value of homes in the higher price ranges could continue to collapse at a far greater rate than the moderation of decline or even gain in the lower price ranges. This could happen due to the drastic contraction of jumbo, stated income and negative amortization financing. If so, this could skew the numbers of the closely followed median sales price index making it appear as if all prices are still falling. This means a recovery in certain areas and price points could slip under the radar if a potential homebuyer was not working with an expert real estate agent who has his or her finger on the pulse of the real-time market for the specific type of house within a certain area for which one is looking.

Furthermore, after a visible bottom has been reached, buyers may still be able to find some great bargains in the housing



**Loan scenarios for a \$200,000 home
on 3 types of government backed loans
assuming \$2400 per year for property taxes
& \$35 per month for homeowner's insurance.**

FHA LOAN

Purchase Price	=	\$200,000
Down Payment required	=	\$7,000
Mortgage @ 5.00% (5.129 APR)	=	\$1,054
Mortgage Insurance	=	\$88
Property Taxes	=	\$200
Homeowner's Insurance	=	\$35
TOTAL Payment	=	\$1,377

**Payment Includes Up Front MI Financed

VA LOAN

Purchase Price	=	\$200,000
Down Payment required	=	\$0
Mortgage @ 5.00% (5.129 APR)	=	\$1,096
Property Taxes	=	\$200
Homeowner's Insurance	=	\$35
TOTAL Payment	=	\$1,331

**Payment Includes VA Funding Fee Financed

**Requires VA eligibility

RURAL/USDA LOAN

Purchase Price	=	\$200,000
Down Payment required	=	\$0
Mortgage @ 5.00% (5.129 APR)	=	\$1,095
Property Taxes	=	\$200
Homeowner's Insurance	=	\$35
TOTAL Payment	=	\$1,330

**Payment Includes USDA Guarantee Funding Fee Financed

**Certain location and income eligibility requirements

market. However, as longtime industry expert Mike Hasson has said: "at that time, there will not be the same opportunities to find and negotiate favorably on premium properties that otherwise may have never even hit the open market." Think of it this way: The current housing market is comparable to going into your favorite department store and seeing that almost every last item in the store is deeply discounted. If you wait until the very last day of the sale, what items are left? After a marked bottom, the housing market will be like that department store with mostly the unpopular and less desirable merchandise discounted and in plentiful supply. The lower the price point, the more this will be true.

The worst thing about this won't be that buyers may have to bid higher to get the home they fall in love with. I don't think that notion necessarily bothers people so much. No, the worst part about competing for the best remaining homes once a bottom is officially announced will be those times when a buyer does bid higher and still loses the home that they love to someone else. Imagine the disappointment one feels in having lost the home that they had toured extensively, had begun picturing their life in, and now have to compare every future candidate home to as they begin their search again.



2 - HISTORICALLY LOW INTEREST RATES

Historically low interest rates combined with tremendous value create unbelievable affordability. The National Association of REALTORS® has a measurement of the overall affordability within the national housing market. This

National Affordability Index factors what home price a person earning the median income could purchase, in relation to the actual median home sales price, calculated using the currently available mortgage rate. This is an index that has been measuring the housing market month after month for almost four decades. Recently, this index began showing clearly and unequivocally that homes right now are far more affordable than they have ever been in the history of tracking housing affordability.

According to recent data, approximately one third of Americans do not own a home. That statistic puts into perspective the potential number of first-time homebuyers who could be in a position to take advantage of this incredible opportunity.

There are many people who were priced out of the market just a few short years ago and are now realizing this seldom mentioned *blessing* of the current market and economy: Homes are extremely affordable.

Interest rates right now are very close to record lows. Low interest rates are particularly significant because often in the past when prices on homes receded significantly, this was accompanied with inflation and its evil sidekick, high interest rates. This bad combination counteracted the lower home prices, and therefore affordability was damaged as a result of the higher payments. This was certainly the case in the early 1980s when interest rates on 30-year fixed mortgages reached well into the teens. There was absolutely no real estate version of a total eclipse of the Sun then.

Many economists and experts agree with legendary investor Warren Buffett who recently commented on how it is very likely that a bi-product of a recovery in our economy will be high inflation. If so, the laws of the market simply forbid long-term finance rates such as a 30-year fixed mortgage to be at or below 5 percent if inflation itself skyrockets to that level or higher. Money must be loaned out at a rate that is higher than the rate of inflation. Otherwise, inflation would erode not only the profits but possibly even the original investment. If inflation fires up as a result of the government's flood of capital into the market, then interest rates could also quickly shoot up.

Right now the vast majority of first-time homebuyers are using government-backed loans to fund their new purchase. As of this writing, rates on all three types of government loans are very close to 5 percent. They've been in the same range for a while, and for those of you who are waiting, I'm sorry to say they don't seem to be going much lower.

Even if that exact rate is not quite available on the day one goes to make an offer, it can easily be asked in the offer that the seller credit an amount that would buy down the loan to that rate. Don't risk waiting for a certain rate to come to you and instead ask that the eager seller take you to that rate.

In the box to the left, notice the sample loan scenarios for a home priced at \$200,000 on all three of the most common types of government loans: FHA, VA or Rural/USDA. Most of the costs associated with the purchase can be asked to be paid by the seller other than the minimal 3.5 percent down payment required only on the FHA loan. (Eligible Veterans and those who

qualify and are purchasing in designated Rural areas can obtain 100 percent financing with no mortgage insurance required.)

As you can see in the loan scenarios the monthly payment is not much more than a similar home would rent for. Also, remember that when you buy a home with a 30-year fixed mortgage, the principle and interest payment is fixed for life. Even if rent is less right now, will that continue to be the case in five or ten years? Of course not.



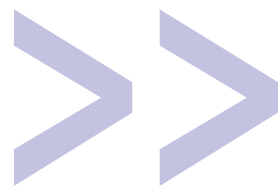
3 - CASH PAID FOR PURCHASING A HOME

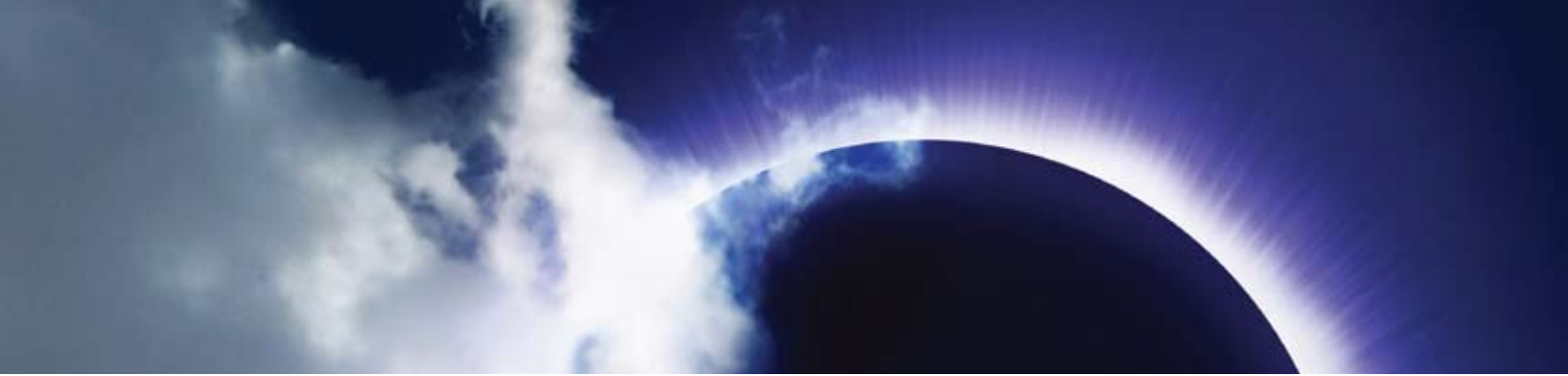
As part of the stimulus package in February 2009, the president signed into law an incentive giving any first-time homebuyer purchasing a primary residence between January 1, 2009 and December 1, 2009 a tax credit of \$8,000 cash with no repayment required. (For more information on this tax credit, go to www.federalhousingtaxcredit.com.)

A first-time homebuyer is defined as anyone who has not owned a home in the past three years. Just like a tax refund, the money will be paid out upon filing taxes after a buyer has made his or her purchase. There is currently no mechanism that allows a person to have access to this money upfront in order to use it as a down payment, but prospective homebuyers who believe they qualify for the tax credit are permitted to reduce their income tax withholding. Reducing tax withholding (up to the amount of the credit) will enable the buyer to accumulate cash by raising his or her take-home pay. This money can then be applied to their down payment. Keep in mind that FHA loans do allow for gift funds to be used as the down payment.

Also noteworthy is that if two people who are unmarried are purchasing a home together and only one of them is a first-time homebuyer, that person still qualifies for the full amount of the tax credit. This is especially helpful if a person needs to use a non-occupant co-borrower on an FHA loan to assist in qualifying.

What if someone doesn't qualify for the tax credit? Would buying a home still be beneficial with only two of the three key advantages aligned? Of course – that would be a moment as rare as a partial eclipse.





A PARTIAL ECLIPSE

If a buyer already owns a home or doesn't qualify for the tax credit, he or she can still capitalize on the opportunity that a partial eclipse offers. It's still something quite remarkable to be able to choose a home sold at a tremendous value from the

vast inventory available and have it financed with historically low fixed rates.

Even if you already own a home and are simply ready to upgrade, you are still benefiting and coming out ahead despite the fact that you will also have to sell in this same market. If you are indeed moving up in price, then you will be on the buying side receiving the same percentage of discount on your new, higher priced home as the percentage hit that you took selling your former, less expensive home. This translates to more money gained on the new purchase than was lost on the sale of one's former home.

FEAR OF THE UNKNOWN CAUSES MANY TO MISS OPPORTUNITY



In ancient times, when a total eclipse of the Sun would occur, people would often be frightened and confused. They didn't understand why each second grew darker than the one before, until there was actually complete darkness in the middle of the day. But, as you can imagine, once the Moon began gliding past the Sun and it became apparent that daylight was returning, people no doubt would only then appreciate what a once-in-a-lifetime opportunity they had just observed. Unfortunately, they would most likely not grasp this fact until after the complete darkness had passed. The best opportunity faded with the darkest moments. Then, as the Sun and Moon moved away from each other, every second that passed meant even less of an opportunity to witness this phenomenon. Finally, they moved completely apart and there was no opportunity at all.

Similarly, this dark economy will also pass. First, it will be an ever-so-slight hint of daylight returning, gradually growing brighter and brighter. But, for those who are waiting for this to happen prior to buying a home, remember one thing: Once the darkness subsides and is replaced by the first flicker of light, the best opportunities, the likes of which one may never see again, will have already transpired.

Furthermore, the longer one waits after that, the less opportunity there will be as the market shifts and it becomes more and more obvious that daylight is returning. This eventually leads to such a point as to where there is no significant opportunity at all. If you are in a position to purchase now, don't allow market negativity to inhibit you from taking advantage of what could be the best and most affordable opportunity that you will ever have at buying a home. Bottom-line: Anyone who is in a position to buy now is one of the fortunate ones who will be able to purchase at a time as rare as a Total Eclipse of the Sun.

Monday - August 21, 2017

A TOTAL ECLIPSE OF THE SUN IS HITTING CLOSE TO HOME IN ANOTHER WAY.

This will be the first total eclipse visible from the contiguous United States in almost 40 years. It will also be the first time that an eclipse has a path of totality that crosses the entire nation, from the Pacific Coast to the Atlantic Coast in almost 100 years. The last one was in 1918. The path of the upcoming 2017 total eclipse will make its first landfall on the Oregon Coast.

The solar eclipse travels across the country as if on a track called the centerline, with a path of totality approximately 50 miles in each direction away from the centerline. This creates an area about 100 miles wide in which a total eclipse will be viewable. The centerline of the 2017 total eclipse will land almost directly between Lincoln City and Newport at 5:17 p.m., allowing both of those cities to experience totality.

This centerline then travels across the state running through the Willamette Valley close to cities like Monmouth/Independence and Stayton. This means that totality will be visible in the Willamette Valley from any area between McMinnville and Aurora on the north side spanning south all the way to Halsey and Brownville. All those who live in between those two points won't have to travel to observe a total eclipse as it will be coming to them. However, the



closer one is to the centerline the longer the duration of totality will last. Salem is the largest major city in Oregon that will be very close to the centerline so the capital monument there will have a backdrop of a total eclipse lasting more than two minutes. As the visibility of the eclipse crosses east through the state, the centerline will cross almost directly through Madras, thereby also putting the city of Redmond in the path of totality as well.

The centerline and area of totality will first pass through a corridor in the host state of Oregon and then move out diagonally across the rest of the country exiting close to Charlotte, North Carolina. No one in the continental U.S. should have to travel very far in order to observe a total eclipse. The areas of

Oregon that will experience totality can expect to be filled with visitors traveling from Canada, Washington, California and beyond, attempting to preview this once-in-a-lifetime phenomenon. Of course, a much larger area outside of that narrow track of totality will see a partial eclipse to one degree or another depending on how far away they are from the centerline. Because it will be taking place in August, most can expect to observe this total eclipse on a warm summer afternoon with a good chance of very few clouds blocking the view.

For a great interactive map of the country showing the path of totality the eclipse will follow on August 21, 2017, visit: http://xjubier.free.fr/en/site_pages/solar_eclipses/TSE_2017_GoogleMapFull.html



Steve Nassar
Mortgage Advisor
503.718.9858

SNassar@alpinemc.com

The Nassar Group is thrilled to now be a part of Alpine Mortgage Planning. This move allows us direct access to the broad product mix and fantastic rates that Alpine's in-house banking offers. Alpine has streamlined the banking side of the mortgage business to ensure speed and efficiency through every step of the loan process from underwriting to funding. Alpine has proven itself to be a leader in every aspect of the mortgage banking business; from its utilization of the latest technology to the Core Values that are clearly visible in the attitude of every Alpine employee. I will be sharing many of my team's marketing materials with the other mortgage advisors at Alpine, including the article you just read. If you'd like to know how you can have your own personal information attached to this article in a digital format that can be emailed or an 8 page glossy brochure, please contact me or any other mortgage advisor at Alpine. You can preview an example at www.august2017eclipse.com. GET READY - for at least the next 6 months we are going to be in what is likely to be the biggest first-time home buyer's market of our lifetimes!





2008 STIMULUS BILL CHANGES TAX CONSEQUENCES FOR SELLING SECOND HOMES

By Richard Uffelman

While the thought of selling real property may seem like a fruitless exercise in this current economy and market, real estate investors and other individuals should be aware of a recent tax law change that will affect the tax consequences resulting from the sale of a second home in situations where that second home has been converted to a primary residence before the date of the sale.

The tax rule used to be that taxpayers who owned more than one residence could exclude up to \$500,000 (\$250,000 for individual taxpayers and \$500,000 for married taxpayers filing jointly) from gain treatment resulting from the sale of a secondary residence that was subsequently converted to a principal residence. The taxpayer was required to comply with the requirements of Internal Revenue Code Section 121(a), which forced the taxpayer to convert the real property to his or her primary residence for two out of the five years prior to the sale. This tax benefit was available to the taxpayer even if the secondary property had been initially used as a rental property, vacation home, investment property or even for use in a trade or business.

This rule did not apply to all secondary residences; only those secondary residences converted to the taxpayer's principal residence and owned and occupied as such for at least two years prior to the sale. An investment property or rental home that was sold without the taxpayer's satisfaction of this requirement would not have been eligible for the benefit of this rule.

The 2008 Housing and Economic Recovery Act (H.R. 3221) changed this rule. Although the gain exclusion rule was not entirely eliminated, under certain circumstances the seller of a secondary residence that was converted

to a principal residence will pay some gain tax. This rule, and the potential gain exclusion, does not apply to the sale of a secondary residence (investment house, rental property) that is sold without the taxpayer ever occupying the property as his/her principal residence.

Under the 2008 Housing and Economic Recovery Act, taxpayers who own a secondary residence, convert that secondary residence to their principal residence after January 1, 2009, and then later sell that property will have to use a fractional formula to determine the taxable portion of any gain from the sale, and the amount of that gain, if any, that is eligible for the exclusion amount.

Under the applicable formula, the first part of the fraction (the numerator) is the amount of time (starting with January 1, 2009) that the property is used as rental property, vacation home, investment property or second home. The second part of the fraction (the denominator) is the total number of years of ownership of the property, dating from the day the taxpayer originally purchased the property. That fractional portion of the \$250,000 or \$500,000 will be taxed at capital gains rates. Therefore, taxpayers who have held properties for a long time should not suffer any tax disadvantage under this new rule.

EXAMPLE 1

Eric bought a rental/investment property for \$300,000 on Feb. 1, 2009 for \$300,000. On Feb. 1, 2013, Eric converts the property to his principal residence. On Feb. 1, 2019, Eric sells the property for \$650,000, realizing a gain of \$350,000. Eric's tax filing status is single. Eric has owned the property for 10 years and used it as his principal residence for four of the 10 years.

On these facts, 60 percent of the gain (6/10) is eligible for the \$250,000 exclusion (six years use as a principal residence divided by 10 years of ownership). That means that \$210,000 of the \$350,000 gain will be eligible for the exclusion. The remainder of the gain (40 percent – four years as rental/investment property divided by 10 years of ownership) will be taxed at the capital gains rate that applies in the year of the sale.

EXAMPLE 2

Ned and Stacy purchased a vacation home in Bend in 1990 for \$150,000. Ned and Stacy used the property solely as a vacation home until September 2005, when they sold their other properties and moved into the Bend property as their principal residence. Ned and Stacy sell the Bend property in September 2015 for \$850,000, realizing a gain of \$600,000. Ned and Stacy file married filing jointly tax returns. The couple is eligible for the full \$500,000 exclusion because the Bend property was their principal residence on January 1, 2009. However, Ned and Stacy will pay tax on the \$100,000 excess over the \$500,000 at the capital gains rates in effect for 2015.

Therefore, the first task is to determine the use of the property on Jan. 1, 2009. Remember that property used as the principal residence on Jan. 1, 2009 will qualify for the full exclusion, provided the other requirements of Internal Revenue Code Section 121(a) are met. If the property was in investment/secondary use on Jan. 1, 2009, then the amount eligible for the exclusion is calculated determining the percentage of time that the property was used as a principal residence divided by the total years of ownership.

This new rule is also called a “use” rule. The taxpayer/owner of the secondary residence who converts the property to his/her principal residence will have to calculate the exclusion amount and taxable gain, if any, based upon the taxpayer's use of the property. Gains that are attributable to the time that the property was held for investment/rental/secondary use will be taxed as investment gains at capital gains rates as if the owner had never lived in the property. Tax gains allocated to the time that the property was held for principal residence use will be taxed under principal residence tax rules and be eligible for all or part of the \$250,000/\$500,000 gain exclusion.

The policy of the tax rule change was to examine the use of the secondary dwelling property after January 1, 2009. The use of the subject property on January 1, 2009 will be critical to the tax analysis.

MORAL

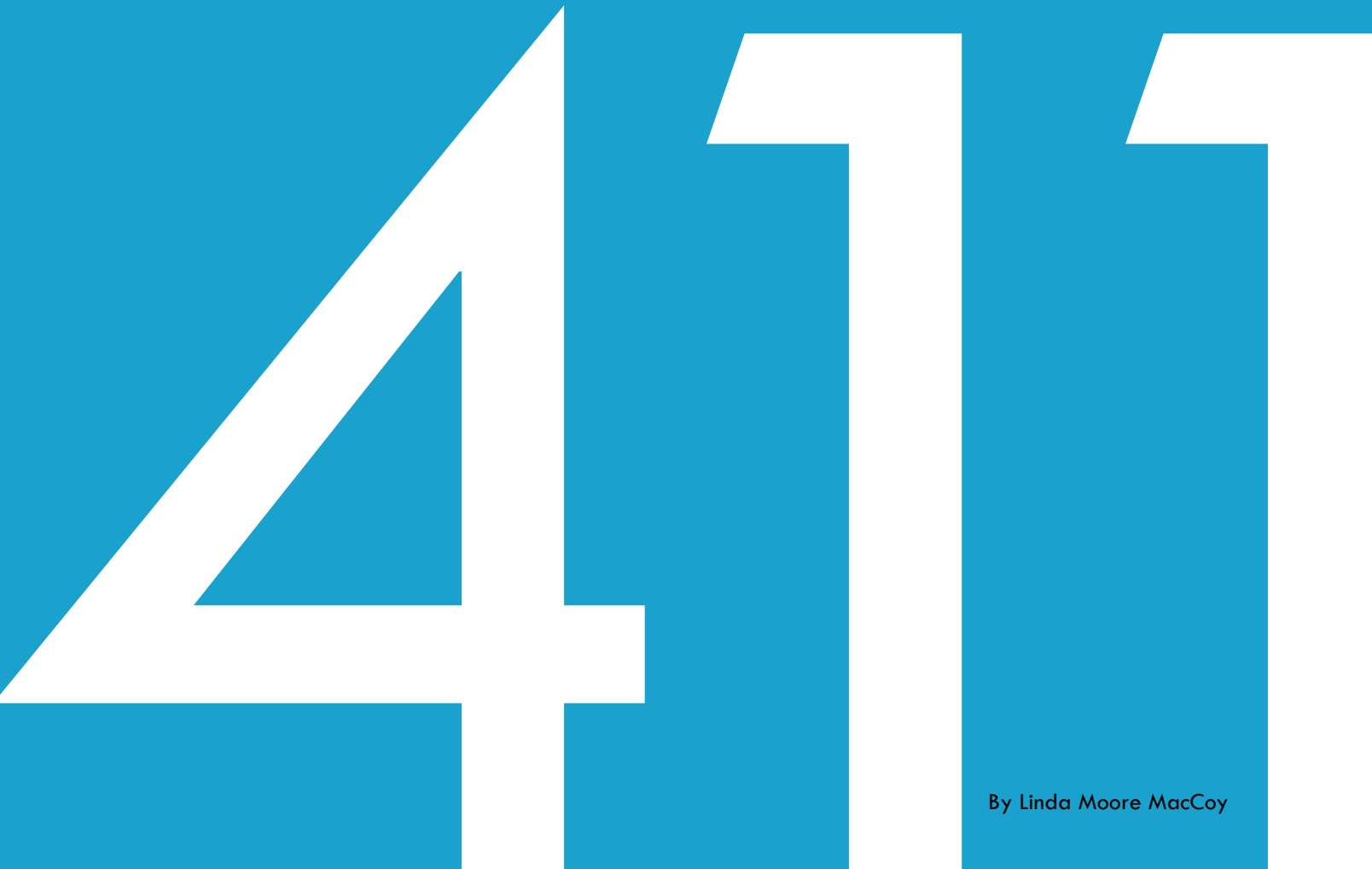
The tax consequences from the sale of a secondary property that has been converted to a principal residence have changed dramatically. Anyone contemplating converting a secondary dwelling to a principal residence prior to selling the property should consult their attorney or certified public accountant to learn the potential tax consequences.



Richard Uffelman is a partner in the Lake Oswego law firm Buckley LeChevallier. His firm provides legal services in a variety of practice areas, including real estate, tax and estate planning, and administration, family law, employment, and construction, among others. The real estate group regularly represents buyers, sellers, agents and brokers, deals with land use, files foreclosures, assists clients in transacting 1031 exchanges, and represents clients in all areas of real estate litigation. He can be contacted by at rau@buckley-law.com.

THE LENDING GAME:

THE 411 ON THE NEW HOME VALUATION CODE OF CONDUCT (HVCC)



By Linda Moore MacCoy

“THE ONLY THING CONSTANT IS CHANGE.”

This has been one of my favorite sayings for a long time, and never has it been so accurate as in the real estate lending community today.

You may have heard that new appraisal standards have arrived. Effective May 1, 2009, appraisals cannot be ordered by a lender or broker directly from an appraiser, but instead the appraisal must be ordered with an appraisal management company, which then places the appraisal order. The Code of Conduct was formed by the Federal Housing Financing Agency on December 23, 2008. While there are legal actions filed to put a stop to this requirement, one by one, lenders have announced policies to comply with the new standards.

There has been enough fraud and prosecution involving overvalued homes lately that the new law was deemed necessary to avoid further issues. The New York lawsuit filed by the Attorney General naming Fannie Mae, resulted in an agreement requiring an appraisal management company to further appraisal orders. The agreement set a precedent that all lenders are now following. Essentially, the code sets guidelines to ensure that borrowers, homebuyers, and secondary mortgage market investors receive fair and independent property valuations.

I have heard it said that this will be the demise of all lenders. However, Federal Housing Administration (FHA) and Veterans Affairs (VA) appraisals were always ordered through a rotating system, where approved appraisers received an assignment outside of a lender's control. This new way of doing things has been common practice for government loans, so it is a system that does work. This is the model that is being implemented for Fannie Mae and Freddie Mac at this time.

Advantages of Utilizing a Valuation Management Group:

- Comply with home valuation code of conduct
- Accomplish true appraiser independence from the ordering body
- Satisfy the regulatory agencies
- Safeguard from internal influence and/or interference

in the appraisal process

- Appraiser's approval, updated license and E/O are managed for the lender
- Quality assurance provided by licensed/certified appraisers for lenders
- Creates an “arm's length” transaction minimizing the risk of fraud in valuation
- Stronger values in the ordering process minimizes risk to professionals in the transaction against future legal claims
- Increased protection to consumers with regard to valuation
- Increased reliability to investors purchasing loans on the secondary market
- Borrower receives an appraisal before closing

Disadvantages of Utilizing a Valuation Management Group:

- Increased expense to borrowers (the cost was \$400 and now averages \$475 per appraisal)
- Lack of direct contact with the appraiser in various legitimate situations
- Appraisers lose their ability to sell their services, thus reducing the ability to increase business through established relationships
- Creates an “arm's length” transaction and eliminates direct communication directly with the appraiser

The new law cites the following provisions:

- Arm's Length Ordering Process

“No employee, director, officer, or agent of the lender, or any other third party acting as joint venture partner, independent contractor, appraisal company, appraisal management company, or partner on behalf of the lender, shall influence or attempt to influence the development, reporting, result, or review of an appraisal through coercion, extortion, compensation, inducement, intimidation, bribery, or in any other manner including but not limited to...requesting that an appraiser provide an estimated, predetermined, or desired valuation in an appraisal report prior to the completion of the appraisal report...requesting that an appraiser provide estimated values or comparable sales at any time prior to the appraiser's completion of an appraisal report...”

- Providing a Value Requirement when ordering an appraisal is not legal.

“Providing to an appraiser an anticipated, estimated, encouraged or desired value for a subject property or a proposed or target amount to be loaned to the borrower, except that a copy of the sales contract for purchase transactions may be provided...Providing to an appraiser, appraisal company, appraisal management company, or any entity or person related to the appraiser, appraisal company, or appraisal management company, stock or other financial or non-financial benefits...”

- Adding or Removing Appraisers from an approved list without Notice

“Allowing the removal of an appraiser from a list of qualified appraisers, or the addition of an appraiser to an exclusionary list of disapproved appraisers, used by any entity, without prompt written notice to such appraiser, which notice shall include written evidence of the appraiser’s illegal conduct, a violation of the Uniform Standards of Professional Appraisal Practice (USPAP) or state licensing standards, substandard performance, improper or unprofessional behavior or other substantive reason...”

- Second Appraisals

“Ordering, obtaining, using, or paying for a second or subsequent appraisal or automated valuation model (AVM) in connection with a mortgage financing transaction unless: (i) there is a reasonable basis to believe that the initial appraisal was flawed or tainted and such basis is clearly and appropriately noted in the loan file, or (ii) such appraisal or automated valuation model is done pursuant to written, pre-established bona fide pre- or post-funding appraisal review or quality control process or underwriting guidelines, and so long as the lender adheres to a policy of selecting the most reliable appraisal, rather than the appraisal that states the highest value...”

- Consumer Copy of Appraisal

“The lender shall ensure that the borrower is provided a copy of any appraisal report concerning the borrower’s subject property promptly upon completion at no additional cost to the borrower, and in any event no less than three days prior to

the closing of the loan. The borrower may waive this three-day requirement. The lender may require the borrower to reimburse the lender for the cost of the appraisal...”

- Appraisal Acceptability

“The lender will not accept any appraisal report completed by an appraiser selected, retained, or compensated in any manner by any other third party (including mortgage brokers and real estate agents). The lender may accept an appraisal prepared by an appraiser for a different lender, including where a mortgage broker has facilitated the mortgage application (but not ordered the appraisal), provided the lender:

(1) obtains written assurances that such other lender follows this Code of Conduct in connection with the loan being originated; and (2) determines that such appraisal conforms to its requirements for appraisals and is otherwise acceptable...”

- Ethical Conduct while ordering an Appraisal

“All members of the lender’s loan production staff, as well as any person (i) who is compensated on a commission basis upon the successful completion of a loan or (ii) who reports, ultimately, to any officer of the lender not independent of the loan production staff and process, shall be forbidden from (1) selecting, retaining, recommending, or influencing the selection of any appraiser for a particular appraisal assignment or for inclusion on a list or panel of appraisers approved to perform appraisals for the lender or forbidden from performing such work; and (2) having any substantive communications with an appraiser or appraisal management company relating to or having an impact on valuation, including ordering or managing an appraisal assignment...”

- Appraisal Quality Control Testing

“The lender agrees that it shall quality control test, by use of retroactive or additional appraisal reports or other appropriate method, a randomly selected 10 percent (or other bona fide statistically significant percentage) of the appraisals or valuations that are used by the lender, including the results of automated valuation models, broker’s price opinions, or ‘desktop’ evaluations. The lender shall provide to Fannie Mae or Freddie Mac a report of any adverse, negative, or irregu-

WITH ALL THE WOES IN THE HOUSING MARKET, IT APPEARS THIS NEW RULE IS HERE TO STAY.

lar findings of such quality control testing, and any findings indicating non-compliance with any provision of this Code of Conduct, with respect to loans sold to Fannie Mae and Freddie Mac respectively, and the Enterprise may enforce all applicable rights and remedies, including requiring the lender to repurchase mortgages or the Enterprise's participation interest in mortgages..."

- Representations and Warranties

"A lender shall certify, warrant, and represent that the appraisal report was obtained in a manner in compliance with this Code of Conduct. If the Enterprise determines, on its own or from a referral made by the Institute, that a lender is in breach of a material aspect of this Code of Conduct or in violation of a provision of the Code by a complaint referred from the Institute, the Enterprise will enforce all applicable rights and remedies, including suspension or termination of the lender's eligibility to sell loans to the Enterprise, if the lender fails to remediate..."

Other considerations:

- Mandatory Copy of Appraisal to Borrower

Whereas, the appraisal was available to the borrower within 60 days of closing, if the borrower requested a copy per federal statute, the new rule now requires a copy of the appraisal to be provided to the borrower at least three days before the loan can close. Although there is a clause that allows the borrower to waive the three-day requirement, it is likely that lenders will be reluctant to allow the waiver. The appraisal is provided by the lender directly if a broker is involved.

- Market Conditions Addendum (form 1004MC)

The Market Conditions Addendum captures additional information to enhance the market trends and conditions conclusions made by the appraiser. This form came into being in March 2009. One key piece of this form is something called the absorption rate, which is how many days would be expected for a valid sale and closing to occur. It is calculated by dividing the total number of sales by the time period being analyzed. The form covers a number of topics

too numerous to discuss in full in this article.

- Lenders will subscribe to different appraisal management companies

This issue is going to be very expensive if for some reason the lender they choose is not able to close the loan the borrower requested. If the borrower chooses to withdraw and go elsewhere for whatever reason, the appraisal would need to be created anew with new fees. Additionally, the Code does not apply to FHA, VA, or Guaranteed Rural Housing loans.

If you wish to view the actual agreement that Fannie Mae accepted, visit: http://www.fanniemae.com/media/pdf/030308_agreement.pdf;jsessionid=4UJV4JZBBL5GPJ2FQSHSFGQ

We have received emails from lenders indicating their policies and procedures. Since each lender chooses the service they require for appraisal orders, there is a plethora of rules that each lender has set internally.

With all the woes in the housing market, it appears this new rule is here to stay. We should all learn everything we can about the rule, and how to work within it. In this article I have attempted to cover the main points of the new rule. If you would like additional information, you may contact me at: linda@academyoffinance.org

References: Freddie Mac website - http://www.freddiemac.com/singlefamily/docs/030308_valuationcodeofconduct.pdf



Linda is the Director of the National Academy of Financial Literacy (NAFL). NAFL is dedicated to Financial Literacy Education for Consumer's and Professionals in the Lending and Real Estate Industries. Educated Individuals make better decisions. It is our belief that lack of education is a major contributor to the "financial crisis" applicable To Consumers and Professionals. Linda has been teaching real estate finance to Real Estate Brokers, Mortgage Lenders and Consumers for over 34 years, and is licensed to provide State required Education. www.academyoffinance.org 503.639.5500.

CAN YOU SEE CLEARLY NOW?

By Kirk Faulkner

16



I really liked my last article. Does that sound vain? I hope not. What I mean by that is, as with most of my writing, I speak/write from a place of personal reflection. I liked the article because it put on paper things I struggle with and need to remind myself. I have often said writing is cathartic. My hope is that these thoughts and ideas resonate with some of you who read my articles. I certainly hope it is not just me who thinks this way, or I really am as weird as my kids say that I am!

Margin was such an important reflection for me last time because it was seriously absent from my life in recent months. As discussed, margin comes from living and working on purpose. It comes from having a plan and working out that plan in a reasonably consistent manner so that my life – or your life – is not lived by accident or happenstance. Purpose is critical. Margin is critical. Execution is critical. Planning is critical, and so is vision. One of the challenges to living on purpose is pulling all of these essentials together as part of your comprehensive life/business plan.

At times, I have really worked hard on one aspect or another. Maybe it was priority management – the “doing” part of the business plan where you specify the activities that will be repeatedly performed to produce the results described in the detail of the business plan. I have really drilled down those priorities into a fantastic

array of tasks, added them to my calendar and, with the best of intentions, moved forward only to find myself quickly drifting from those priorities into much less productive tasks.

At first, this happens little by little. Then, over time, I find myself doing little of the things I had thoughtfully designed in a period of reflection and focus. Frequently, this is caused by the “tyranny of the urgent”: that overwhelming tendency to get distracted by the clamoring needs of the moment and allowing them to crowd out the essential activities that must get done. The reality is: With a good plan that follows a well-thought out vision implemented by daily activities designed to execute on that plan and produce results, there is time to deal with the “urgent” in effective ways without derailing the rest of the day, week, month or year.

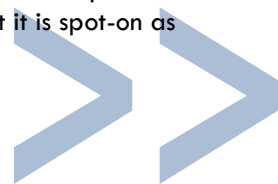
So why do I – why do you – sometimes allow this distraction? Why do we get knocked off course so easily, and end up once again frustrated by our inability to make progress towards that really well-thought out plan that was so consistent with who we are and what we want to achieve, accomplish or endeavor?

For me, there are many reasons but one major cause. I tend to get distracted because I lose sight of my vision. It is not that I lose my vision. If it really is your vision, it is pretty tough to lose.

No, I suggest that your vision has not moved but you have. We move to a place where that vision becomes obscured and difficult to see or make progress towards because we are off track, off course and drifting, tossed about by the waves produced in the crisis or even opportunity of the moment.

Opportunity is a funny thing. If it is consistent with your vision and goals, it is a wonderful, sometimes unexpected “move ahead 3 spaces” card. However, we sometimes mistake distraction for opportunity. Why? Because we forget that good things can be distractions. If we see something that has potential to bring benefit, we tend to embrace it, even if it is not consistent with our plan, and call it opportunity. Frequently, it is not. It is distraction, and months later we are trying to figure out why we are off course. Again, the cause is lack of clarity of vision or connection to that vision.

Vision is probably the hardest thing to nail down because it is, by definition, somewhat nebulous. Vision is that view of the world as you see it if you executed on your plans. It is the world view, with things going as you hope they go and the results defined in your best case scenario. Vision is not unrealistic or unachievable, but it is, well, visionary. There is a fantastic article about vision in the Harvard Business Review. The article is dated September-October 1996, but it is spot-on as it pertains to vision.



VISION GIVES HOPE & DIRECTION, & WHEN PURSUED, BECAUSE IT IS SO INTRINSIC TO WHO WE ARE, PRODUCES REAL SATISFACTION & A SENSE OF ACCOMPLISHMENT.

In that article, James Collins and Jerry Porras define vision as containing two primary components: core ideology and envisioned future. It would be impossible to paraphrase the article without violating copyright laws but the basic premise is that core ideology is what we stand for, why we exist and is unchanged by product or market life cycles, technology fads or leaders. It is, as the term intrinsically states, core to who we are or who our company is. Envisioned future is “what we aspire to become, to achieve, to create.”

Core ideology consists of our core values and core purpose. We have core values, as the authors state, “because they define for us what we stand for, and we will hold them even if they became a competitive disadvantage in certain situations.” Core purpose answers the “why” question. It is the “soul of the organization”, according to the authors. It “reflects the people’s idealistic motivations for doing the company’s work.” Practically speaking, purpose lasts for a very long time. Strategies change with market conditions and opportunities. Purpose transcends those influences because it is core to who we are and why we do what we do. You never “achieve” a purpose. It is a guiding principle, not an objective to be completed.

Envisioned future involves defining your BHAG (Big, Hairy, Audacious, Goal) or, as Building Champions prefers to call it, a Mt. Everest Goal. The BHAG, or Mt. Everest Goal, is a 10 to 30-year, push-the-limits-of-achievement goal, and the vivid description is what it will look like when you achieve that goal. Essential to an envisioned future is an extraordinary goal (unless of course your goal is to be ordinary). The goal is out there. It is a goal that, if achieved at some partial level, would

be a major accomplishment but should stop short of being unattainable.

As the article states: “The basic dynamic of visionary companies is to preserve the core and stimulate progress. It is vision that provides the context.” This is not applicable only to large organizations and/or corporations. This is where those of us who work in sales in a variety of entrepreneurial levels need to focus.

When we define our vision and lay out the specifics of core ideology and our envisioned future, we have a view of our world. Granted it is a view from above – a macro view. Nevertheless, it is the guiding view. Think of it as your North Star. It is the constant we refer to periodically as we are navigating through the sea. If we constantly look at the star, we will not be making the moment-by-moment course corrections necessary to ensure progress towards our goal. We become silly dreamers who live too much in the clouds and not enough where the rubber meets the road. Fortunately, not too many people follow dreamers who don’t have their feet planted on the ground where the real work gets done.

Conversely, and more damaging, is the lack of vision or attention to a defined vision. That produces decisions, course corrections without the benefit of that unchangeable, fixed position from which to navigate. Without periodic reference to our “North Star”, we make course corrections based on perception, market conditions, emotion, outside influence, etc. Those decisions, if not grounded in our vision, will cause major course deviation and increase our likelihood for failure. It will also make it very difficult for anyone else to join in our mission and stay the course because the objective is either undefined or out of sight.

Vision is not ethereal or philosophical. It should be very real, tangible and substantive. It does require thinking beyond the daily tasks and priorities to set a course that is unchanging. Take some time. Think about the specifics of which vision consists. Go read the entire Harvard Business Review article and other resources. Get connected with Building Champions if you really want to be coached using vision to create your life and business plan. But don’t just create your vision. Develop a plan for returning to your vision frequently to avoid my mistake of allowing the tyranny of the urgent to take my eyes off the destination and create focus on the problem in front of me. A great proverb states: “Where there is no vision, the people perish”.

Vision gives hope and direction, and when pursued, because it is so intrinsic to who we are, produces real satisfaction and a sense of accomplishment. With vision, we are doing what we feel called... or compelled... or energized to do.

It has been exciting to start hearing from some of you more frequently. I cannot tell you how valuable that is for me as a person who loves to write. As always, please feel free to send me your thoughts or feedback on this or any previous article. Your comments sharpen my thinking and give me insight for future articles.



Kirk Faulkner is District Manager for Alpine Mortgage in Washington. Alpine is one of Oregon's fastest growing private companies as featured in the Portland Business Journal.

With more than 240 employees and seven branches in the region, Alpine is a strong mortgage banking entity with exceptional products and services, giving loan professionals the tools necessary to exceed the expectations of their clients and referral partners.

foreclosure & loan modification

SCAMS

By Joel Grayson & Janet Grayson

19

As the economic climate becomes more challenging, we start to see increasing numbers of people who attempt to help those in dire financial circumstances. Although many of these people are legitimate, and possess the skills and experience to truly help people out of sticky financial situations, there are just as many people attempting to take advantage of the desperate and unwary. This article will discuss foreclosure and loan modification experts, and what issues brokers should be aware of when working with them.

This past year, we wrote about Oregon House Bill 3630, which governs mortgage foreclosure consultants. In a subsequent article, we discussed a similar law passed in Washington that governs distressed home consultants. As you can imagine, the business of consulting with homeowners facing foreclosure has grown exponentially since these laws were passed. The laws both place restrictions on how consultants can be paid, and what rights the homeowners have in their relationships with the consultants. Real estate licensees, attorneys and other individuals are acting as consultants, attempting to negotiate with lenders in the hopes that homeowners have more time in which to bring their accounts current before their lenders follow through with their foreclosure sales.

Individuals and companies are also renegotiating loan terms with lenders on behalf of homeowners who cannot meet their current loan terms.

Similar to foreclosure consultants, loan modification “experts” help homeowners attempt to work with their lenders to save their homes from foreclosure. Homeowners pay fees to loan modification experts in the hopes that they will save money on their loans, which undoubtedly carry with them high interest rates and/or increasing monthly payments.

As a result of distressed homeowners’ perceived desperation and lack of real options, many individuals and companies attempt to take advantage of homeowners through various scams. Foreclosure experts, for instance, may attempt to purchase homes from their homeowner clients in order to “save” them from foreclosure. In this form of a scam, the “experts” typically purchase the homes at the lowest price possible, either negotiating short sales with the lenders or offering just enough to pay off all underlying indebtedness on the properties.



SCAMS

Some scammers promise homeowners that they will renegotiate their loans with their lenders for a fixed or variable price & then abscond with the homeowners' money & fail to fulfill their obligations to help the homeowners.

Upon purchasing the properties, the scammers rent the properties back to the distressed homeowners, with a promise to sell the property back to them at some future time. Typically, the repurchase price is unrealistic, and the distressed homeowners are unable to repurchase their properties.

20

Another scam perpetrated by individuals and companies who claim to be foreclosure experts involves the "experts" convincing homeowners to deed their properties to them, without the "experts" assuming the underlying debts owed on the properties. The obvious result of this scam is that the homeowner loses not only his or her home, but also remains liable to the lender for the full amount of the underlying debts.

The most recent form of scam we have seen concerns loan modification, whereby the scammers promise homeowners that they will renegotiate their loans with their lenders for a fixed or variable price. Some scammers will abscond with the homeowners' money, and fail to fulfill their obligations to help the homeowners. Others are simply unqualified, and will inaccurately claim they have expertise or access to resources. For instance, some companies indicate that they are working with lawyers, but will not disclose which lawyers. Other companies may actually consist of lawyers. However, their lawyers may

not practice in the state in which the properties are located. In addition, if these lawyers are not licensed to practice in the relevant state, they may be unlawfully practicing law, and may not have appropriate experience to assist homeowners.

Homeowners are inundated with information about saving their homes through television, radio and newspaper advertisements, and through direct mail or individual contact by individuals and companies offering to help them. Although there appear to be many scammers looking to take advantage of vulnerable homeowners, there are many more that are legitimate and only intend to help out. These individuals and companies have the experience and wherewithal to assist homeowners in renegotiating their loans or buying time before their lenders foreclose on their homes.

Brokers should not select specific experts to assist their distressed clients. However, brokers may want to advise their clients to conduct appropriate due diligence before agreeing to enter into arrangements with such experts. In addition, brokers or their clients can obtain free foreclosure prevention assistance through the HOPE NOW Alliance (www.hopenow.com), which consists of HUD-approved counselors, mortgage companies, investors and others.

This column contains general information only and must not be construed as legal advice. Questions may be submitted directly to Maylie & Grayson by fax at (503) 775-1765, by email at info@mayliegrayson.com or by mail at 7959 SE Foster Road, Portland, Oregon 97206.

© Maylie & Grayson 2009



Joel Grayson, an attorney licensed since 1971, is a recognized authority in real estate law, litigation, a published author, and has been a frequent lecturer and continuing education instructor and mediator to the real estate industry, as well as a contributor to newspapers, television and radio. Mr. Grayson practices in Oregon and Washington.



Janet L. Grayson is a member of the firm's real estate and litigation group, participates in continuing education instruction to brokers, and is a published author.

Maylie & Grayson is a full-service law firm providing representation to real estate brokerages, brokers, REALTOR® associations, developers, builders, lenders and investors, providing services in all aspects of real estate including transaction review, land use planning, licensing, mediation, arbitration and court matters throughout Oregon and Washington.

REALTORS:



HASSON LAUNCHES NEW MOBILE WEB TECHNOLOGY

The Hasson Company launched innovative, new mobile web technology, giving consumers immediate access to all of the listings in the Portland Metropolitan area, Central Oregon and Southwest Washington—right at their fingertips.

Visitors to Hasson.com were always able to view all of the properties for sale throughout the local area, but now they can view the same listings directly from their mobile device. Featuring a customized platform for iPhone™, BlackBerry® and other smart-phone users, The Hasson Company's new interface was specifically designed for easy navigation and optimal viewing on mobile devices. Hasson mobile web users do not have to download any applications in order to use the new home-searching tool.

Buyers looking for homes in the Pacific Northwest can now visit mobile.hasson.com on their mobile phones and search for homes simply by entering a given MLS number or address. Customers can access properties within the area they want to search and see property details, prices, contact information and photographs—all with the swipe of a thumb or click of a button.

HASSON GREEN TEAM PARTICIPATES IN SUSTAINABILITY ACTION MONTH

The Hasson Company's Green Team helped the City of Lake Oswego's Sustainability Advisory Board during its Sustainability Action Month in May. Green Team agents helped kick off the city's month-long green awareness campaign during the "Climate Change: Science & Solutions" presentation.

Pioneering sustainability in the Northwest, The Hasson Company is the only Portland/Vancouver metropolitan area real estate brokerage with a team of specialized green-certified Realtors. Green Team agents are accredited through programs such as Earth Advantage® and Energy Trust of Oregon, arming them with the knowledge and training necessary to educate their clients about Green Real Estate.

LEADING HASSON GREEN TEAM AGENT SPEAKS TO NATIONAL MLS LEADERS

Joe Menashe, managing principal broker

of The Hasson Company's Broadway office, spoke at the Connection 2009 conference hosted by the RMLS in April. Menashe was invited to speak at the conference due to his expertise when it comes to Green Real Estate. As a founding member of The Hasson Green Team, Menashe has been instrumental in garnering national exposure for The Green Team's efforts in pioneering sustainability in the Portland/Vancouver metropolitan area over the past three years.

At the conference, Menashe addressed industry leaders from more than 100 multiple listing services (MLS) across the nation about why The Hasson Green Team was formed and what The Hasson Company is currently doing to raise awareness of sustainability and green building in today's market.

HASSON BROKER FIRST EVER TO RECEIVE PMAR AWARD

Earline Penson, a broker with The Hasson Company's Broadway Branch, was awarded the first annual Opening Doors Award from PMAR. The Opening Doors Award honors a local Realtor who has demonstrated exemplary service in the areas of Fair Housing and Cultural Diversity. This is the first time PMAR has honored a local Realtor with this award.

A dedicated Realtor and Portland/Vancouver Chapter President and REALTIST® with the National Association of Real Estate Brokers (NAREB), Penson has invested considerable time and effort in the Congressional Black Caucus Foundation (CBCF), working towards solutions for issues that affect the African American community. With a grass-roots approach, Penson ensures that a diverse sector of homeowners and potential homeowners have a voice when it comes to their rights and interests. She also holds homeownership counseling seminars for the local public.

HASSON'S DIRECTOR OF RELOCATION ADDRESSES CONFERENCE

Patrice Kuchulis, Director of Relocation and Corporate Services with The Hasson Company spoke at the 2009 Leading Real Estate Companies of the World® conference in Scottsdale, Ariz. The event attracted top real estate brokers, managers, relocation professionals, sponsors and guests from the U.S. and eight countries around the world.

With the goal of continuing to diversify and develop The Hasson Company's business,

Kuchulis joined a host of talented professionals who addressed a variety of topics on new-era real estate. She presented a seminar on "Positioning a Property to be the Next One to Sell" – a pricing strategy designed to capture the next possible buyer for a subject property within 30 to 45 days. This strategy is designed to give a buyer no better option from a financial or emotional standpoint than to purchase a given property.

HASSON AGENT RECEIVES ABR

Cheri Thomas, a broker with The Hasson Company's Vancouver branch received her Accredited Buyer Representative® (ABR) designation through the Real Estate Buyer's Agent Council (REBAC) of the NAR. This new designation will further strengthen Thomas' expertise and knowledge base and help her better serve her clients buying real estate in Clark County. Thomas is a member of The Hasson Company's Green Team and Earth Advantage S.T.A.R.-certified.

TOP HASSON AGENTS IN BEND, OREGON PROVE SUCCESS IN ANY MARKET

The Hasson Company honored 2008 Top Producers for their outstanding efforts. Gene Buccola and Priscilla Martin with The Hasson Company's Bend branch are true professionals who see real estate as a career, staying focused on helping their clients regardless of market challenges.

HASSON SPONSORS 33RD ANNUAL U.S. BANK POLE PEDAL PADDLE

The Hasson Company sponsored the 33rd Annual U.S. Bank Pole Pedal Paddle (PPP) competition in Central Oregon on May 16, 2009. During the race, teams, pairs and individuals participate in six sequential legs, each defined by a particular athletic category: alpine skiing, cross-country skiing, cycling, running, canoeing/kayaking and springing.

In addition to the three teams that participated from The Hasson Company's Bend branch, a fourth Hasson team from the Portland-area offices joined the event. Volunteers at The Hasson Company booth handed out water and snacks. Money raised through the PPP event supports the Mt. Bachelor Sports Education Foundation (MBSEF), a nonprofit organization that provides youth programs dedicated to promote competitive Alpine racing, cross-country skiing, snowboarding and cycling. Some of MBSEF's students have even gone on to compete on an international level.

THE HASSON COMPANY WELCOMED NEW AGENTS:

Lori Fillman – Bend
Michael O'Rourke – Portland Uptown
Kristin Rosenthal – Portland West



KELLER WILLIAMS REALTY PROFESSIONALS WELCOMED NEW AGENTS:

Jorie Barnum
Lindsey Culver
Kent Stallings



CB SEAL AGENT RECEIVES DISTRESSED PROPERTY CERTIFICATION

Coldwell Banker Barbara Sue Seal Properties announced that Howard Page, a broker with the company's Beaverton at The Round office, received the Certified Distressed Property Expert Designation.

Offered through the Distressed Property Institute, LLC, the Certified Distressed Property Expert Designation is a course designed to provide property agents with the tools and expertise they need to help homeowners through an unfavorable situation. The course covers topics such as entering the distressed property market, managing foreclosures, the short sale process and selling against and working with property investors.

CB SEAL AGENT RECEIVES ONLINE REAL ESTATE CERTIFICATION

Coldwell Banker Barbara Sue Seal Properties announced that Anna Szakal, a broker with the company's Beaverton at The Round office, has obtained the NAR e-PRO certification.

The e-PRO Certification Course is an educational program designed to help real estate professionals thrive in the competitive world of online real estate. In addition, the e-PRO Certification Course is geared to ensure continued success in online real estate after the course has been completed, and certification earned, by online participation in the e-PRO Community and the e-PRO Referral Network.

CB SEAL WELCOMED NEW AGENT JUNE DAVIES TO ITS UPTOWN OFFICE.



JOHN L. SCOTT WELCOMED NEW AGENTS:

Sandra Lindsay – Clackamas
Gail Worrell – Northeast Portland
Curtis Frye – Woodstock

JOHN L. SCOTT LAKE OSWEGO BROKER LYNDA O'NEILL RECENTLY RECEIVED THE FOLLOWING ACCREDITATIONS:

Energy Trust of Oregon
Earth Advantage (EA STAR Broker)
Luxury Home Specialist



REALTY TRUST GROUP WELCOMED ASHLEE STARR HODGE AND LAURA LACEY TO ITS PEARL DISTRICT OFFICE.



FIRST EVER LIVE USTREAM.TV 56 HOUR OPEN HOUSE IN BEND

Jim Mazziotti, principal broker and franchise owner of EXIT Realty Bend hosted the first ever LIVE Ustream.tv Continuous 56 Hour Open House. The live event was streamed at www.ustream.tv/channel/exit-realty-bend-live-56-hour-open-house and at www.exit56houropenhouse.com. For 56 continuous hours, Mazziotti ate, slept and guided visitors through the open house, all while keeping the live streaming webcast flowing.



SOLDERA PROPERTIES WELCOMED NEW AGENT SCOTT FOSTER TO ITS LAKE OSWEGO OFFICE.

BEATE SELLER WITH SOLDERA PROPERTIES EARNED THE ECOBROKER DESIGNATION.



PRUDENTIAL NORTHWEST PROPERTIES WELCOMED NEW AGENTS:

Oregon:
Paula Mellon – Bend
Pam Lewis & Amy Wood – Damascus
Jai Jarabak & Melissa Young –

Lake Oswego
Beth Caster, Jean Elmore, Van Keck & Chris Voigt – McMinnville
Chris Friesen – Sherwood
Kathy Grant & Dmitri Kisselev – West Portland
Washington:
Vicki Glasow, Lori Hausler & Terry Romel – Clark County NW
Staci Orth – Columbia Tech Center
Shawn Warren – Longview



SALEM ASSOCIATION OF REALTORS NAMES RE/MAX AGENT REALTOR OF THE YEAR

The Salem Metropolitan Association of Realtors named RE/MAX equity group's Peggy LeGrande its 2009 Realtor of the Year. Licensed in both Oregon and California for more than 27 years, Peggy is now serving as a top realtor at the company's Salem branch and holds CRS and GRI designations.

RE/MAX LEADS IN BROKERS EARNING DISTRESSED PROPERTY EXPERT DESIGNATION

RE/MAX equity group held a two-day seminar providing continuing education and certification for its brokers in "Certified Distressed Property Expert" (CDPE). The company leads all local real estate companies with 24 CDPE Brokers.

RE/MAX EQUITY GROUP AGENT RECEIVED TOP HONORS AT REGIONAL AWARDS

Andrea Johnson from RE/MAX equity group's Sunset Corridor branch was recognized as the top-producing Realtor in the RE/MAX Pacific Northwest Region, RE/MAX Oregon, and RE/MAX equity group, inc.

Other RE/MAX equity group agents who earned top 10 individual spots in the RE/MAX Pacific NW Regional Awards were Jake Buckendorf of the company's Salem Business Center office and Marili Nielson of the Vancouver Mall office.

RE/MAX equity group teams that placed in the top 10 for the region was the Mary-Jo Avery's team at the Lake Oswego branch and Terrie Cox's team at the Vancouver Mall office.

In Oregon, RE/MAX equity group agents earned seven of the top 10 individual places with Johnson at number one, Buckendorf at number two, Tim Walters of the Broadway branch at number four,

Brook Vinetz of Lake Oswego at number five, Lori Ralston of the Lake Oswego branch at number seven, Sharon Alexander of Gresham at number eight, and Susan Colton of the West Hills office at number 10.

Among Oregon teams, RE/MAX equity group agents also earned seven of the top 10 rankings with Avery at number one, Joelle Lewis of Lake Oswego at number five, Erik Lee of the Portland Executive office at number six, Brian Tienken of Sunset Corridor at number seven, Dave Scriven of the Suburban SW branch at number eight, Jeffrey Capen of Broadway at number nine, and Ande Hoffman of the Salem Business Center office at number 10. In Washington, Nielson and Cox each ranked fifth for individuals and teams respectively.



NW REALTY GROUP WELCOMED AGENTS:
David Maudlin & Katarzyna Trammell – Lake Oswego



MEADOWS GROUP'S WESTSIDE OFFICE ADDS NEW MANAGING PRINCIPAL BROKERS

Meadows Group announced that Patti Fowler and Matt Gorman will share the role of Managing Principal Broker for the Westside office.



OREGON FIRST WELCOMED NEW AGENTS:

Steven Axford, Jaewan Chom, Sharon Johnson, Laura Knoll & Carolyn Vivian – Creekside
Tony Ard, Guy Cameron, Steve Carr, Blong Chang, Judy Collins, Chuck Cooper, Martha Delira, Epherem Gelgelu, Albert Kehdi, Michael Luke & Ingrid Luke – Eastside
Laura Blomgren – Gresham
Helen Jones, Jody McLeod & Amy Williams – Northeast
Judith Stratton – Tanasbourne



GREAT WESTERN REAL ESTATE COMPANY RELOCATES

Great Western Real Estate Company announced its new building is located at 11010 SE Division, Suite 200, Portland, Oregon. The company also welcomed brokers Gladys Wayman, Tatyana Kovalex, Sasha Reshevsky, Jim Leek and Bob Marson.

KOHLER MEYERS O'HALLORAN, INC. WELCOMED ASSOCIATED BROKER NANCY CHASE.

BUILDERS:



FIRST OREGON DEVELOPER TO INCORPORATE SOCIAL NETWORKING INTO MARKETING STRATEGY

Costa Pacific Communities is the first major developer in the state of Oregon to launch a social networking campaign to promote its newest community, the Villebois Village Center in Wilsonville.

Prospective buyers interested in learning more information about the Villebois Village Center can become a Friend of Villebois on Facebook, MySpace or LinkedIn. Or stay up-to-date on the latest news and activities occurring at Villebois by following the community's blog or Twitter page. Costa Pacific also has a dedicated YouTube page for Villebois as well as photo galleries on Flickr, Picasa and its own website, Villebois.com.

Visit GetConnectedVillebois.com to learn more about Costa Pacific's expansive network of online social media and other websites that showcase the extraordinary Villebois neighborhood. Or contact Andy Green, Sales and Marketing Manager with Costa Pacific at 866.580.2836 or info@CostaPacific.com, to learn more about the Villebois Village Center.

VILLEBOIS SUNDAY MARKET GRAND OPENING

In partnership with Arbor Custom Homes and Riverstone Property Management, locally owned Costa Pacific Communities held the Grand Opening of the new Villebois Sunday Market on May 3, 2009 in the Villebois Village Center in Wilsonville. The new farmers market, which will operate every Sunday 10 AM to 2 PM May through October, offers a variety of Northwest-grown produce and other goods for local residents to sample and purchase.

For vendor or volunteer information, email VilleboisSundayMarket@gmail.com or call 503-241-3834. For more information, please visit VilleboisSundayMarket.com.



SEQUOIA CUSTOM HOMES BEGINS CONSTRUCTION AT CARDINAL VIEW

Premier residential building company, Sequoia Custom Homes, began construction on homes in Cardinal View in Gladstone. The Cardinal View community will feature 13 new homes, priced between \$315,000 and \$359,000. Homes range in size from 1,786 to 2,550 square feet and come in six different and distinct home styles with three- and four-bedroom plans. Two of the six custom plans available at Cardinal View will be ranch-style homes with the opportunity to be ADA-equipped (Americans with Disabilities Act). Some of the two-story home plans offer the master bedroom on the main floor. All of the new homes in the Cardinal View community will include three-car tandem garages or designated shop areas.

For more information about Cardinal View community, contact Val Lambert, principal broker with RE/MAX equity group, at Enewconstruction@aol.com or 503.804.9299, or visit SequoiaCustom.com.



NEW TRADITION HOMES RECEIVES 2009 ENERGY STAR® LEADERSHIP IN HOUSING AWARD

New Tradition Homes was recognized by the U.S. Environmental Protection Agency (EPA) with a 2009 ENERGY STAR® Leadership in Housing Award. This award recognizes New Tradition Homes' contribution to energy-efficient construction and environmental protection by building more than 139 ENERGY STAR® qualified homes last year. Collectively, these homes will save customers approximately \$62,133 on utility bills each year.

To earn the ENERGY STAR®, a home must meet strict guidelines for energy efficiency set by the U.S. Environmental Protection Agency. These homes are at least 15% more energy efficient than homes built to the 2004 International Residential Code (IRC), and include additional energy-saving features that typically make them 20–30% more efficient than standard homes.

Our Business Is Our Realtor® Partners' Success!



503.718.9858



Emailed Weekly
Loan Status Updates



Assistance With Designing
Flyers & Postcards



Custom
Print Projects



Moving Kit &
Professional Movers
For Your Clients



Personalized
Home-Buying Books