FTC Will Not Enforce Provisions of MARS Rule Against Real Estate Professionals Helping Consumers Obtain Short Sales

The Federal Trade Commission recently issued a statement announcing that it will forbear from enforcing most provisions of its Mortgage Assistance Relief Services (MARS) Rule against real estate brokers and their agents who assist financially distressed consumers in obtaining short sales from their lenders or servicers.

As a result of the stay on enforcement, these real estate professionals will not have to make several disclosures required by the Rule that, in the context of assisting with short sales, could be misleading or confuse consumers. As more and more American homeowners seek short sales, it is especially important that the Rule not inadvertently discourage real estate professionals from helping consumers with these types of transactions.

The MARS Rule was issued pursuant to authority granted by Congress in 2009. The issuance of the Rule followed numerous FTC and state enforcement actions against companies that claimed to be able to obtain from consumers' mortgage lenders or servicers a loan modification or other relief to avoid foreclosure. The Rule covers companies or individuals, among others, who assist consumers in obtaining approval of a short sale from their lender or servicer.

A short sale occurs when a home is sold for an amount less than the balance owed on the mortgage loan, and the lender or servicer agrees to accept the proceeds of the sale instead of pursuing foreclosure. Short sales can benefit consumers by allowing them to escape from a mortgage that they cannot afford, while avoiding foreclosure. Many real estate professionals assist distressed homeowners by providing both traditional services associated with selling their homes (e.g., listing the property) and working to seek lender or servicer approval of a short sale.

The MARS Rule requires companies offering mortgage assistance relief services to disclose certain information to consumers about the services they provide, bans collection of advance fees, and prohibits false or misleading claims. After the Rule went into effect, a number of real estate professionals who help consumers with short sales raised concerns about complying with the Rule. These professionals pointed out that some of the required disclosures could confuse consumers or could be inaccurate in this context.

At this time, the Commission has announced that it will not enforce most of the provisions of the MARS Rule against real estate professionals who are engaged in obtaining short sales for consumers. The stay applies only to real estate professionals who: 1) are licensed and in good standing under state licensing requirements; 2) comply with state laws governing the practices of real estate professionals; and 3) assist or attempt to assist consumers in obtaining short sales in the course of securing the sales of their homes. The stay exempts real estate professionals who meet these requirements from the obligation to make disclosures and from the ban on collecting advance fees. These professionals, however, remain subject to the Rule's ban on misrepresentations.

The Commission stated that the stay does not apply to real estate professionals who provide other types of mortgage assistance relief, such as loan modifications. In addition, the FTC will continue to enforce the Rule and Section 5 of the FTC Act, which prohibits unfair and deceptive practices, against all other providers of mortgage assistance relief services.

The Commission vote approving the MARS Rule enforcement policy was 5-0. It can be found on the FTC's website and as a link to this press release. More information about the Rule can be found here, and information about consumers' mortgage rights can be found **here**.

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9 Reasons to Buy Investment Property Now

J. Paul Getty famously said, *"Buy when everyone else is selling and hold when everyone else is buying."* Many commercial brokers believe that present market conditions provide an unprecedented buying opportunity to lock in significant real estate investment returns. Despite the opinion of some real estate professionals, however, many investors remain on the fence. While each investor must carefully consider their own financial objectives and risk tolerance before jumping back into the market, we've listed a few reasons investors should consider in assessing today's real estate purchase opportunities:

1031 Exchange Opportunity - Investors with low basis properties may utilize Internal Revenue Code §1031 to defer tax on the sale of one underperforming asset to acquire one or more discounted replacement properties that may enhance cash flow and provide higher long term investment returns.

Attractive Purchase Prices - Many distressed sellers (and some banks) are selling investment properties at deep discounts and accepting offers that are below current replacement costs. Recent reports indicate that lenders are selling foreclosed properties (often referred to as 'real estate owned' or "REO" property) at an average discount of 28% below prices being paid for comparable non-distressed properties in the same market.

Historically Low Financing Costs - The Fed's stimulus efforts, such as QE2 ("Quantitative Easing 2"), have resulted in historically low interest rates, making the cost of debt service exceptionally attractive. Qualified real estate investors can take advantage of today's low interest rates to bolster cash flow and lock in better long-term investment returns.

Inflation Hedge - With many economists predicting that inflation will increase at some point in the future, hard assets, like investment real estate, can provide a hedge against the declining value of money in an inflationary environment. Additionally, ownership of leased real estate can provide an investor with increased income as rent rates also tend to rise in inflationary periods.

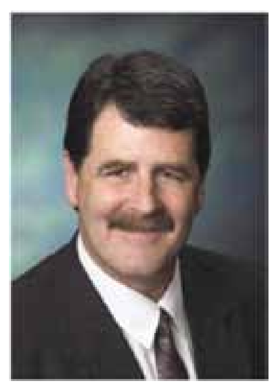
Yield - Financial institutions are paying very low yields on money market accounts and other conservative investments. In contrast, many investment properties are generating returns in the 7-9% range, providing considerably better yields than many other competing investments.

Less Competition - Foreign ownership of U.S. investment real estate is increasing. Foreign investors see U.S. real estate as a solid investment in a stable economy, and the lower value of the dollar has made U.S. real estate an even more attractive bargain. These two trends will increase demand, which will drive up prices on certain types of investment property. By buying now, investors can stay ahead of the competition.

Desirable Product Classes - Some classes of investment property are experiencing considerably more demand than supply. For example, in the multi-family segment, demand for rentals has increased as foreclosures have mounted and there is little new multi-family construction in the pipeline to meet such increased demand. As a result, multi-family rents are increasing and many experts project this trend to accelerate.

Worst Price Declines are Over - Property values nationally have declined by 30% or more since the market peak in 2006. Many economists believe we are at an important pivot point where prices will stabilize and begin to increase (albeit at lower appreciation rates than in the past). If investors wait too long, they may find they are facing competing bids and higher prices to close. Buying before demand picks up in the nearly inevitable recovery locks in today's bargain prices.

Real Estate is Local - Despite national statistics about real estate prices, most investors are aware that real estate is local and supply/demand and investment returns are determined by local market conditions. Many investors are using 1031 exchanges to exchange out of areas that are not projected to perform well and into areas where the local economy is more robust and investment returns are more favorable.



Financial professionals tell their customers it is almost impossible to 'time the market' and purchase investments at the very lowest point and later sell these same assets at near market peaks. The concept is fraught with many problems and, as a result, most financial advisors caution customers to not pursue this approach. Despite this advice, investors often wait until it's too late to purchase and miss opportunities. Don't be left out.

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This information is not intended to replace qualified legal and/or tax advisors. Every taxpayer should review their specific transaction with their own legal and/or tax counsel.

Housing starts regain some strength

National Association of Home Builders

Nationwide housing starts in June reached the best pace of production since the beginning of the year, according to figures released by the U.S. Commerce Department. The 14.6 percent gain to a seasonally adjusted annual rate of 629,000 units was attributable to a combination of significant jumps in both the single-family and multifamily segments plus increases in every region of the country.

Commenting on the latest report, Bob Nielsen, chairman of the National Association of Home Builders (NAHB) said the numbers are an "encouraging sign that builders are responding to improving consumer interest in new homes and apartments by gradually replenishing their extremely thin inventories in places where demand is evident..” Nielsen, a homebuilder in Reno, Nev. also said the lack of access to construction credit “remains an impediment to starting new projects and getting building crews back to work in markets that are improving.”

"The latest housing production figures show broad-based gains on both the single-family side and in multifamily apartment construction, where we know that demand has been increasing due to the influx of renters in the market," said NAHB Chief Economist David Crowe. "Going forward, we expect to see a gradual upward trend in new-home production through the end of this year as consumers begin taking advantage of the buyers' market, though not without some bumps along the way."

Single-family housing starts posted a 9.4 percent gain to a seasonally adjusted annual rate of 453,000 units in June, their best pace since November of 2010. Meanwhile, multifamily starts, which tend to display greater volatility on a month-to-month basis, increased 30.4 percent. The seasonally adjusted rate of 176,000 units was the best pace since January.

Starts activity improved across every region of the country in June, with the West notching a 5.4 percent increase. Other regions posted double-digit gains, led by the Northeast with a jump of 35.1 percent.

Issuance of building permits, another indicator of future building activity, also improved in June, with three of the four regions reporting increases. Overall permits posted a 2.5 percent gain to 624,000 units, their highest level since December of 2010. Multifamily permits gained 6.9 percent to 217,000 units to mark their highest level since October of 2008.

July housing activity around Washington described as “classic good news, bad news story”

KIRKLAND, Wash. (Aug. 4, 2011) – Sellers of more than 7,000 residential properties listed with Northwest Multiple Listing Service members accepted offers on their homes last month, continuing a stretch of five months with 7,000-plus pending sales. Last month’s 7,182 pending transactions (mutually accepted offers) improved on the year-ago total of 5,571 pendings for an increase of almost 29 percent.

“It’s classic good news, bad news story,” said Northwest MLS director Frank Wilson, branch managing broker at John L. Scott Real Estate in Poulsbo. “The good news is that we seem to be at the bottom,” he remarked, adding, “The bad news is we are just sitting there. Although homes are still selling, and in some cases at the asking price and in a reasonable amount of time, these are isolated to specific price ranges and geographic areas.”

Pending sales of single family homes and condominiums jumped by more than 30 percent in seven counties served by Northwest MLS (Ferry, Grant, King, Kittitas, Lewis, Okanogan and Snohomish).

Closed sales also outpaced year-ago totals. Members reported 5,180 completed transactions during July, an improvement of 15.3 percent from twelve months ago when 4,491 sales closed.

The median price on last month's closed sales system wide was $237,975, about 13.5 percent less than a year ago when the median selling price was $274,990. Wilson, whose office is in Kitsap County, said the under $350,000 price range continues to be active.

"Homes are more affordable now than they have been in the past four decades while interest rates remain historically low," noted Joe Spencer, president and COO of John L. Scott Real Estate and a member of the Northwest MLS board of directors. He expects consumer confidence and sales to continue rising now that fears over the national debt crisis have subsided. "In spite of the political drama we saw play out, interest rates have actually dropped, lowering the cost of homeownership even further," he remarked.

"The increased number of pending and closed sales, particularly in the four-county area, is certainly encouraging," said Mike Grady, president and COO of Coldwell Banker Bain. He noted brokers in the field are reporting pockets of greatly increased buyer activity and interest, "and in some cases, intense competition among buyers for the best properties on the market."

Grady said it is apparent that home sales in all areas served by the NWMLS are not improving at the same rate. Nevertheless, he suggested, "with a substantially lower number of single family homes and condominiums on the market, and with rents rising significantly in many areas, it's not too difficult to imagine that stable or modestly increasing prices – currently the 'missing piece' in the recovery puzzle – might soon become more prevalent in the most active segments of our market."

Listing inventory area-wide is down about 16 percent from year-ago levels. As of the end of July, there were 37,465 active listings in the MLS system, which compares to 44,770 for the same month a year ago.

Northwest MLS members added 9,626 new listings of single family homes and condominiums during the month, the fewest since February, and a drop of more than 11 percent from the year-ago total of 10,850 new listings.

The shrinking inventory is spurring vigorous activity in some areas.

"In selected areas and price ranges, where there is a low level of homes for sale, we are seeing high sales activity for new properties when they come on the market," reported J. Lennox Scott, chairman and CEO of John L. Scott Real Estate. Scott noted healthy sales activity is occurring close to the job centers of Seattle and Bellevue, with transferees leading the way. However, he acknowledged, "lower sales activity is being reported in the outlying markets and in the high end."

"Perhaps this is the 'pent up demand' we've been expecting to materialize for some time now based on our region's increased job creation and a better economic position relative to most other states or metros," Grady remarked.

Wilson reiterated that observation. "We have two forces at work here: Homes at historic levels on the affordability index and low/confused consumer confidence." If the two forces were to meet, Wilson believes a robust market would emerge, but added, "until consumers get excited about what is happening in our economy, here we will sit, which in the big picture is better than where we were a few years ago."

Northwest Multiple Listing Service, owned by its member real estate firms, is the largest full-service MLS in the Northwest. Its membership includes more than 22,000 real estate brokers. The organization, based in Kirkland, Wash., currently serves 21 counties in Washington state.

Statistical Summary by Counties: Market Activity Summary - **July 2011**

Single Fam. Homes + Condos	**LISTINGS**		**PENDING SALES**	**CLOSED SALES**		
	New Listings	Total Active	# Pending Sales	# Closings	Avg. Price	Median Price
King	3,584	11,091	2,933	2,072	$410,618	$319,000
Snohomish	1,368	4,546	1,207	851	$247,771	$225,000
Pierce	1,409	5,488	1,210	838	$227,299	$194,972
Kitsap	454	1,923	307	222	$274,449	$239,000
Mason	153	925	77	72	$179,198	$162,250
Skagit	219	1,130	136	100	$261,158	$222,450
Grays Harbor	177	980	77	72	$134,705	$128,000
Lewis	126	812	70	46	$130,911	$137,450
Cowlitz	121	614	88	67	$153,411	$150,700
Grant	116	655	68	55	$203,831	$165,000
Thurston	476	1,827	294	247	$244,642	$225,000
San Juan	46	519	18	9	$456,722	$400,000
Island	260	1,131	129	85	$293,296	$240,000
Kittitas	112	612	55	37	$246,520	$184,250
Jefferson	105	643	23	30	$275,186	$227,650
Okanogan	75	475	29	22	$211,882	$180,000
Whatcom	419	1,927	284	184	$278,082	$246,250
Clark	67	298	44	43	$200,210	$185,000
Pacific	60	483	26	19	$132,655	$114,000
Ferry	8	63	3	1	$209,000	$209,000
Clallam	88	510	26	28	$179,381	$175,450
Others	183	813	78	80	$191,842	$166,000
MLS TOTAL	**9,626**	**37,465**	**7,182**	**5,180**	**$305,727**	**$237,975**

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	3474
2011	4272	4,767	6049	5732	5963	5868	5657					

Launch of electronic signatures, more Matrix enhancements among highlights of Northwest MLS member meetings

Electronic signatures, Matrix enhancements, Realist updates, rules and forms revisions, plus an update on the CIVIX patent license highlighted the agenda during July meetings for members of Northwest Multiple Listing Service.

Electronic signature service is scheduled to start this fall using a secure browser-based online document signing process. Known as Authentisign, the Instanet Solutions product will integrate with Xpress Forms.

The meetings included a step-by-step demonstration of the process, which encompasses clearly marked sections where signatures are required and a place for updating and displaying the signing status. All participants are emailed a PDF of the final signed documents.

Authentisign users will pay a nominal monthly fee. Member-subscribers who can document being under contract with another vendor may obtain a 6-month subscription at no charge.

In response to member questions, Northwest MLS managers Monica Beck and Bob Gent noted the Authentisign service complies with all federal and state regulations. Brokers may insert documents and forms, but the system does not yet allow parties to use mobile devices for electronic signatures.

The second item on the meeting agenda covered recent Matrix enhancements, with Gent noting more rapid adoption among members now that the transition phase has passed. Several enhancements were highlighted, with most of them evolving from the memberships' focus group recommendations.

One notable enhancement is "recent search history" whereby a previous search can be chosen from a drop-down menu to retrieve search results.

An improved wizard means brokers can upload multiple photos at once, then drag and drop to quickly rearrange.

Another Matrix enhancement affects Google Street Views. By choosing that option during input, other brokers will see that view when mapping the listing.

Among mapping enhancements are icons displaying the listing's property type, bird's eye views from any zoom level, and simplified map tools. Managing brokers and clerical staff now have a quick modify menu option for office listings.

On the auto emails page of "My Matrix," screen display enhancements include reorganized columns and simpler words.

Since Realist was updated, no downtime has occurred, Gent reported. Among the updates he noted were:

- Enhanced report window, which displays in a full screen view instead of a pop-up view.
- Improved flood map views, based on appraiser feedback, that enable viewing complete flood map code, panel and date.
- Flood map reports that display detailed information.
- Neighborhood profiles with new charts and graphs.
- "My Region" enhanced with a "change region" link to simplify selections.

Northwest MLS manager Justin Haag provided members with a preview of upcoming rules revisions stemming from the Bylaws and Rules Committee meeting that took place in June. The changes, effective August 11, involve rules 11, 120, 125 and 190.

Rule 11, as revised, allows a standard "letter on file" on a form prepared by NWMLS to be submitted with a listing for permitted restrictions on showing and sale.

Rule 120 requires the listing firm to note in Agent Remarks when seller verbally accepts/approves an offer on a REO/Bank Owned property.

Rule 125 prohibits contact with an owner's creditor without permission.

Under Rule 190, permission to advertise another member's listing must be from a real estate firm. Haag noted this applies primarily to third party advertisements since there is a general exception for IDX.

Recent and upcoming forms revisions affect Form 17 and 17C. The revisions, effective July 22 and explained in Legal Bulletin 189, include a new question regarding fire protection services. The revision requires use of a new form.

Haag also reported on upcoming forms revisions that are likely to occur in August. The changes, based on decisions at the Statewide Forms Task Force meeting in May, affect Listing Agreements (Forms 1A and 1B); Purchase and Sale Agreements (Forms 20, 21, 23, 25 and 28); Buyer's Sale of Property Contingency Addendum (Form 22B); Optional Clauses Addendum (Form 22D), and Short Sale Addendum (Form 22SS).

The final report to members covered the CIVIX patent license, a broad patent issued in 1995 and valid for 20 years. The affected technology is used in almost every real estate website as well as several other sites with searching functions. In 2006 CIVIX sued numerous companies, including Realtor.com/Move.com, Yahoo, Orbitz®, Hotels.com, Travelocity and Yelllowpages.com.

Subsequent lawsuits and demand letters involved large multiple listing services. Earlier this year Tarasoft settled with CIVIX in an agreement that covered Northwest MLS use of the Matrix MLS system. The National Association of REALTORS®, working with Northwest MLS legal counsel, also reached a tentative industry-wide settlement with CIVIX. Under that settlement, Northwest MLS entered into a licensing agreement with CIVIX that covers all Northwest MLS's systems, and its members' and vendors' systems.

FHA extends forbearance for unemployed

Unemployed homeowners with FHA loans can get an extended reprieve from potential foreclosure under new federal rules that took effect August 1.

Mortgage lenders will extend what's known as the "forbearance period" to 12 months, up from the current provision of four months.

"The current unemployment forbearance programs have mandatory periods that are inadequate for the majority of unemployed borrowers," U.S. Housing and Urban Development Secretary Shaun Donovan said in a statement.

By extending the delay period before foreclosure proceedings start, the government hopes to give out-of-work borrowers who meet eligibility requirements more time to find a new job and resume mortgage payments (possibly under modified terms), thereby stopping a foreclosure and helping lenders avoid losses.

An estimated 14.1 million people nationwide are without a job, with an additional 2.7 million individuals believed to be "marginally attached" to the labor force, according to recent unemployment reports. Across the country, 60 percent of unemployed people have been out of work for more than three months and 45 percent have been out of work for more than six months.

Under the new system HUD says lenders will no longer need to verify "that the mortgagor has a good payment record and stable employment history."

The new program will not be available to all unemployed borrowers. Foreclosures can begin immediately or the forbearance program will end under several situations, including:

1. The borrower abandons the property.
2. The borrower tells the lender that he or she will no longer seek employment.
3. The borrower tells the lender that he or she will not honor the terms of the forbearance agreement.

4. The borrower allows forbearance payments to become 60 days past due and unpaid.
5. The borrower finds a job and the loan is reinstated.

Along with the adjusted forbearance period, the federal government has set aside at least $8.6 billion in the last year and a half for homeowners who have lost their jobs. That includes the $7.6 billion Hardest Hit Fund and the $1 billion Emergency Homeowner Loan Program, which offers support to 32 states around the country where home price declines and unemployment were the steepest.

In the Emergency Homeowner Loan Program, homeowners can receive interest-free, forgivable loans, which pay a portion of their monthly mortgages for up to two years, or up to $50,000. The program is expected to help as many as 30,000 distressed borrowers across the country, with an average loan amount of about $35,000.
By keeping foreclosures off the market HUD is reducing the pressure to lower home prices and essentially holding down the inventory of distressed properties.

By large margins, Americans oppose hikes in down payment requirements, elimination of mortgage interest deduction

Home ownership remains a good financial decision in the opinion of most Americans, according to results of the most recent annual PULSE survey by the National Association of REALTORS®. Despite that optimism, respondents fear proposed policies affecting real estate could have negative consequences.

As in last year's PULSE survey, the state of the American economy drives opinions on housing issues.

Pocketbook anxieties underlie most concerns about housing and how to get the market moving again. The concerns are centered around having enough money for a down payment, job security and low wages.

Most of those polled (71 percent) believe requirements for a minimum down payment of 20 percent on the cost of a home in order to qualify for a mortgage would have a negative impact on the overall American housing market.

The results of this year's survey compared to previous years are mostly unchanged, with the ratio of people who are concerned about the drop in home values and people falling behind on their mortgages remaining similar to prior periods.

More than three quarters of renters (77 percent) say they would be less likely to buy a new home if they were required to make a 20 percent down payment. Among current homeowners, four in ten (39 percent) say they would not have been able to buy their current home if they had been required to make a 20 percent down payment.

Having enough money for a down payment and closing costs is the largest obstacle that makes housing too expensive and unaffordable (82 percent say it is a "huge" or "medium sized" obstacle).

Two or every three Americans (67 percent) oppose eliminating the home mortgage interest deduction as one part of a plan to reduce the federal deficit. Underscoring the intensity of this opinion, a majority of Americans (51 percent) strongly oppose eliminating it.

Even more Americans (73 percent) believe that eliminating the home mortgage deduction would have a negative impact on the American housing market, while 65 percent say it would have a negative impact on the overall economy.

While fewer Americans than in the past agree, an overwhelming majority (72 percent) still say that buying a home is a good financial decision. Almost two-thirds (64 percent) say that now is a good time to buy a home.

The stalled economy continues to adversely affect the housing market. Confidence in job security is a top obstacle (80 percent say "huge" or "medium sized" to home ownership), while job layoffs and unemployment are ranked as the top problem facing Americans.

Foreclosures on homes remain a major concern, with almost half (47 percent) characterizing the issue as either a “very big: or “fairly big“ problem in their area.

Stability, safety and the long--term economic benefits of ownership top the list of reasons people give for why it is important to own a home.

PULSE surveys for the past eight years have consistently shown that having enough money for a down payment and closing costs are a top obstacle that make housing unaffordable. In this year’s survey, Americans rank down payment and closing costs as the single biggest obstacle, statistically tied with having confidence in one‘s job security (80 percent) and having a job but still not making enough to afford a home (79 percent).

Overall, the housing market continues to be tied to the stalled economy -- it is unlikely that one can improve without the other. There are, however, a few encouraging signs:

- There is less concern about the number of homes and condos for sale (down 5 points to 46 percent being “very” or “somewhat” concerned).
- Fewer people cite confidence in job security as an obstacle to home ownership (dropping 6 points, from 49 to 43 percent). There was, however, a nearly identical 5-point jump in the percentage of Americans who say having a full time job but still not making enough to afford a home or apartment close to work is a “huge“ obstacle (from 48 to 53 percent).
- More renters than ever say that owning a home at some point in the future is either a moderate or one of their highest priorities (up 9 points, rising from 63 percent last year to 72 percent this year).

The PULSE survey was conducted in early June for NAR by American Strategies and Myers Research/Strategic Services, LLC.

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10 Easy Ways to Reduce Paper Consumption

Paper and paper products are among the most recycled items that Americans dispose of, according to waste disposal statistics. Considering the average American consumes roughly seven trees per year in paper, wood, and other products made from trees and that the combined dependence on trees equals a total of two billion trees annually, recycling advocates say there are several easy ways to cut paper consumption.

Ten tips offered by “5 Minutes for Going Green.com” include:

1. **Choose recycled paper products,** such as office paper and toilet paper. Every 17 trees saved helps the earth absorb 250 pounds of carbon dioxide from the atmosphere each year.
2. **Invest in reusable dinnerware at home and for the office.** Eating at home usually means using washable and reusable glassware and dishware, along with stainless steel or silver cutlery. For occasions when disposable dinnerware is preferred, look for biodegradable and eco-friendly products.
3. **BYOB.** Use canvas or other reusable bags when going to the grocery store and other shops. A single tree produces only 700 paper grocery bags -- the number a moderately busy grocery store can blow through in an hour.
4. **Don’t forget your handkerchief. Use a washable fabric handkerchief instead of tissue.**
5. **Boycott paper towels.** Rather than use paper towels around the house for cleaning, try using rags or other washable cloths. .
6. **Choose digital subscriptions.**
7. **Visit your local library.** Borrowing books from the library is a fantastic way to save paper, ink and money.
8. **Personalize gift wrap.** There are many creative ways to stylize gift wrap without adding to paper consumption. Repurpose old boxes, containers and newspapers by using them when gift-giving.

9. **Say no to receipts.** By declining your receipt, you are helping save paper and trees. Understandably, some receipts are necessary for taxes and for items that may need to be returned, but for many other items a receipt is unnecessary.
10. **Pay attention to packaging.** Buy favorite products in bulk and with minimal packaging. Opt for fresh foods rather than packaged products.

Seattle's single-family residents boast 70.3 percent rate of recycling

Seattle's recycling rate rose for the seventh consecutive year, according to the city's 2010 Recycling Rate Report. The city reported a 2.6 percent increase over 2009, which marked the largest increase in the recycling rate since 2006.

Washington's largest city generated 724,468 tons of waste, with 53.7 percent of it (388,898 tons) recycled. The remaining 335,570 tons were disposed of at landfills. The totals reflect an increase in the number of tons generated, coupled with a gain in recycling, and a drop in disposal..

Seattle hopes to reach 60 percent recycling by the year 2012 and has a goal of achieving a 70 percent rate by 2025. Single family-residential, multi-family residential, self haul and commercial disposal are included in the recycling rates.

Of the four categories, the rate of single-family recycling (70.3 percent) surpassed all others by a large margin. The rate for commercial was 58.9 percent, followed by multi-family residential at 29.6 percent and self-haul at 13.5 percent.

Let's Design A Profit Together

Of the several challenges currently facing our industry, few will have the long-term ramifications or impact of its current shortage of investment and working capital. The business and market traumas of the last decade have rendered many, if not most, firms unable to do anything but satisfy the most basic of month-to-month needs. With each month that goes by, many firms find themselves further and further away from the ability to invest in even the most basic of technological or service updates. Moreover the ability of brokers to either sell their company, in the ordinary course of business, or to expand through the purchase of "healthy" firms (as opposed to shotgun arrangements), is equally in question. For a long time now, with the possible exception of the upcoming Zillow IPO, the industry has been a "non player" on Wall Street and other financial markets.

The solutions to this level of financial reality will probably not come from internal sources, such as cash flow or increased productivity, at least not in the next few years. Not only are cash flows not likely to reach these levels for the next two years but, the fact is, the "mind set" or psychology of many in industries that have gone through long term downturns, is likely to call for the creation of "rainy day" funds until they feel that they can trust their industry and its marketplace. With the average age of brokers exceeding 62, this may be the financial equivalent of the now famous "IDX buy in" theory.

Given these factors, the financial rebirth of our industry will probably come at the hands of investors who determine that real estate can be made to generate market level profitability and productivity. Whether these investors make loans for working capital, mergers or acquisitions will ultimately depend upon their confidence in both the real estate market itself and the individual brokerages' ability to design, develop and implement a contemporary brokerage business model that can generate market level profitability.

It is, therefore, incumbent upon the entire industry to do whatever it can to support the design of brokerage business models that can attract the working and investment capital that is going to be so critical to its immediate future. There are few, if any, existing industry organizations that individually have such resources, and those that do are not likely to invest them in the traditional business model.

The very suggestion that this reconfiguration process be undertaken will likely raise two immediate responses, both of which must be rejected at any cost. The first response is that, in a fully operational and healthy market, the traditional brokerage business model will work just fine. In order to prove such a statement, one must go back to the early 1990's. It is sufficient to say that way too many changes have occurred to the specifics of the industry, the marketplace and the transaction to take this idea seriously. We cannot go backwards.

The second response is the idea that such considerations are competitive in nature, and that these solutions must arise out of the competitive environment, one player at a time. This response also ignores the realities of the past several years. With very few exceptions, the traditional competitive environment no longer exists. In its place there is now a wildly unpredictable and largely immeasurable tangle of transitioning business arrangements, most of which are not driven by design or common sense but, rather, by a sense of panic and unfunded desperation. Moreover the activities that have lead to the reconfiguration of banking, the U.S. automobile industry and several other industries over the past ten years clearly demonstrates that even the term "competition" has evolved.

These realities strike, like explosive shells, when upfront exploratory energies are engaged with potential funding sources.

Over the past year we have been working with a number of "non-industry" funding sources that were brought together through a belief that the time to invest in the industry is fast approaching for those who want to be in good positions when the industry makes its comeback. Unfortunately the scenarios of these interactions are becoming increasingly predictable.

In 2009 and 2010 the issues, related to this capital problem, stemmed from the inability to project market levels that would support appropriate returns on investment. Today, at the midpoint of 2011 the market projections are finally demonstrating the ability to support the cash flows necessary to generate both appropriate returns on investments and pay back schedules. Now the potential lender's attention turns to the realities of the potential borrower's business model.

The investor's questions are predictable:

- How does the existing business model generate cash flow?
- What business systems are in place and how are they managed?
- What benchmarks and metrics are being used to manage these systems and what standards are being used to measure brokerage value propositions for consumers?
- What is the nature of the relationship between the brokerage, its management team and its primary producers (agents)?

The discussions very seldom extend beyond these simple and basic inquiries. The fact is that few firms today can answer these questions in a manner that is consistent with even the most lax of loan standards or equity expectation. For those sources that are interested in an equity position the questions are even simpler; "How could an investor possibly

win in the current management environment," or "who has claimed a financial victory from their real estate brokerage ownership position over the past six years using the traditional model?"

There are simply too many other more positive investment opportunities, even in today's stressed and uncertain economy. The fact that the real estate industry may no longer be an acceptable risk for lenders and investors is an industry wide problem that must be both addressed and engineered through a joint effort. At the very least a series of critical elements must be developed thus allowing for the individuality in implementation deemed so critical by the competitive set. In any event the discussion must be launched and the effort must be made while sufficient energy and resources exist. Who will step forth and lead this important effort?

News In Brief

- **Family Circle magazine has selected Maple Valley for its annual top 10 best towns and cities in the country for families.** The city was featured in an article that was released on July 5. Maple Valley was selected because it fit the survey criteria which analyzed 2,500 cities and towns with populations between 15,000 and 150,000. One of the things considered by Family Circle in its survey was the quality of the school district. In addition, magazine staff considered other criteria that made a city "family friendly," such as affordable homes, access to health care, green space, a low crime rate and financial stability. From that, cities were ranked and a list of finalists was created, then magazine staff did additional research including interviews with residents of each city.
- **A majority of renters aspire to home ownership as a long-term goal**: According to the "2011 National Housing Pulse Survey" released by NAR, 72 percent of renters surveyed said owning a home is a top priority for their future, up from 63 percent in 2010. The survey, which measures how affordable housing issues affect consumers, also found that 77 percent of renters said they would be less likely to buy a home if a 20 percent down payment was required.
- While nearly one-quarter of home owners owe more on their home than it's currently worth, Americans still see the value in home ownership. **Nearly nine in 10 Americans say home ownership is an important part of the American dream**, according to a New York Times/CBS News poll conducted June 24-28 of 979 adults. In addition, 54 percent of those polled say the government should be doing more to improve the housing market. Only 16 percent say the government should be doing less.
- **The** Federal Trade Commission **today issued a** statement **announcing that it will forbear from enforcing most provisions of its Mortgage Assistance Relief Services (MARS) Rule against real estate brokers and their agents who assist financially distressed consumers in obtaining short sales from their lenders or servicers.** As a result of the stay on enforcement, these real estate professionals will not have to make several disclosures required by the Rule that, in the context of assisting with short sales, could be misleading or confuse consumers. As more and more American homeowners seek short sales, it is especially important that the Rule not inadvertently discourage real estate professionals from helping consumers with these types of transactions. The MARS Rule was issued pursuant to authority granted by Congress in 2009. The issuance of the Rule followed numerous FTC and state enforcement actions against companies that claimed to be able to obtain from consumers' mortgage lenders or servicers a loan modification or other relief to avoid foreclosure. The Rule covers companies or individuals, among others, who assist consumers in obtaining approval of a short sale from their lender or servicer. A short sale occurs when a home is sold for an amount less than the balance owed on the mortgage loan, and the lender or servicer agrees to accept the proceeds of the sale instead of pursuing foreclosure. Short sales can benefit consumers by allowing them to escape from a mortgage that they cannot afford, while avoiding foreclosure. Many real estate professionals assist distressed homeowners by providing both traditional services associated with selling their homes (e.g., listing the property) and working to seek lender or servicer approval of a short sale.

  The MARS Rule requires companies offering mortgage assistance relief services to disclose certain information to consumers about the services they provide, bans collection of advance fees, and prohibits false or misleading claims. After the Rule went into effect, a number of real estate professionals who help consumers with short sales raised concerns about complying with the Rule. These professionals pointed out that some of the required disclosures could confuse consumers or could be inaccurate in this context. At this time, the Commission has announced that it will not enforce most of the provisions of the MARS Rule against real estate professionals who are engaged in obtaining short sales for consumers. The stay applies only to real estate professionals who: 1) are licensed and in good standing under state licensing requirements; 2) comply with state laws governing the practices of real estate professionals; and 3) assist or attempt to assist consumers in obtaining short sales in the course of securing the sales of their homes. The stay exempts real estate professionals who meet these requirements from the obligation to make disclosures and from the ban on collecting advance fees. These professionals, however, remain subject to the Rule's ban on misrepresentations. The Commission stated that the stay does not apply to real estate professionals who provide other types of mortgage assistance relief, such as loan modifications. In addition, the FTC will continue to enforce the Rule and Section 5 of the FTC Act, which prohibits unfair and deceptive practices, against all other providers of mortgage assistance relief services. The Commission vote approving the MARS Rule enforcement policy was 5-0. It can be found on the FTC's website and as a link to this press release. More information about the Rule can be found here, and information about consumers' mortgage rights can be found here.

Calendar of Events

Through September 14, 2011

Dates	Event	Clock Hours	Time	Location	Contact
SEATTLE-*King County* REALTORSÒ					
8/11	RPAC Auction		5pm-8pm	Pickering Farm	(800) 540-3277
8/16-17	"Certified Negotiation Expert (CNE) Designation" Course	15	8:30am-4:30pm	SKCR	(800) 540-3277
8/19	"Foreclosure – From Default to Auction" + Field Trip	4	9M-1pm	SKCR	(800) 540-3277
9/5	Holiday – Office Closed				
9/14	Board of Directors		10:30am-1:30pm	SKCR	(800) 540-3277
For updates visit: www.nwrealtor.com and click "events"					
SNOHOMISH COUNTY-CAMANO ASSOCIATION OF REALTORSÒ					
For updates visit: www.sccar.com and click "events"					