

... thru the

July/2005

GRAPE INE

ROCKFORD AREA ASSOCIATION OF REALTORS®

The Voice For Real Estate™ in the Greater Rockford Area



The Red Flags of Living in the 21st Century



President's Message

by Lee Nalewanski, 2005 President



Recently, at our June DR meeting, some of the DR's and Brokers expressed frustration of how some of the members are conducting themselves as REALTORS®. I must tell you, I have heard very similar complaints from agents that we are not doing the best in communications with each other as professionals. Your Board of Directors has voiced their concerns about the lack of professionalism among our members, new and experienced. Let me say that we have more than once published the articles of the Code of Ethics, and The Pathways to Professionalism put out by NAR. However, it appears in our over-booked schedules, our lack of sleep, unhealthy eating and exercising practices we have fallen prey to the HAT theory. Oh yes, HAT= Hungry, Angry, and Tired.

We are not alone in our frustrations and misunderstanding of one another's actions or tendencies. I have talked with other Broker owners and managers alike, and the consensus is that we need to do a better job of getting along, at least to the point that we are being professional with our clients and peers. We as brokers, managers, trainers and owners are the first line of commitment to adhere to the essence of the Code of Ethics, "The Golden Rule", ... Do unto others as you would have them

do unto you. We all need to take a deep breath when in the heat of discussions, negotiations, resolving issues, and pause when we are agitated before we say things that might either cause ill feelings or worse yet damage our reputations as REALTOR® professionals, this president included.

Article 15 states; REALTORS shall not knowingly or recklessly make false or misleading statements about competitors, their businesses, or their business practices. However, I will say that most of the complaints have to do with common courtesy in dealing with our peers.

Here are just a few of the Pathways to Professionalism that come to mind.

- 1) Show courtesy and respect to everyone.
- 2) To be successful in the business, mutual respect is essential.
- 3) Carefully place keys in the lockbox after showings.
- 4) Respond to other agents' calls, faxes, and e-mails promptly and courteously.
- 5) Notify the listing broker if there appears to be inaccurate information on the listing. Finally, real estate is a reputation business. What you do today may effect your reputation- and business- for years to come.

Remember, take time to rest, eat at least one good nutritious meal, and don't sweat the small stuff, and...it is all small stuff. Let me share in closing some of Bill Watson's Bits of Wisdom.

- 1) People forget how fast you did a job, but they remember how well you did a job. - Howard Newton
- 2) People may not believe in what you say, but will believe in what you do.
- 3) The quality of a person's life is in direct proportion to their commitment to excellence regardless of their chosen field of endeavor.- Vince Lombardi
- 4) There are no traffic jams, when you go the extra mile.
- 5) You can have everything you want in life by helping enough other people get what they want.-Zig Zigler

We travel this path only once... what legacy will you leave behind, and how will you be remembered..... we can always change... I pray much success and many happy days ahead for all of you.

Lee Nalewanski
RAAR 2005 President

Counselor's Corner

By Nancy Hyzer, Hyzer, Hyzer & Jacobs



Early in my law school career I was admonished by my professors to "think like a lawyer" and it has stuck ever since.

Consequently, when I am asked for an opinion as to the application of a specific provision of a real estate contract to a particular fact situation, I ask to see a copy of the contract.

My analysis starts and usually ends with the written contract because the law in the state of Illinois according to our state supreme court is governed by the "four corners" rule of contract interpretation. In other words, if the contract terms are clear and unambiguous, the Illinois Supreme Court will not accept extrinsic or outside evidence to ascertain the intent of the parties to the contract.

As more and more contract forms from around the state enter our

stream of real estate commerce this presents a challenge to REALTORS® who must understand terms that often vary from our standard contracts and must be able to communicate those terms to their clients. State and local law requires that local REALTORS® complete only those contracts that are standard in the community but Boone County and Winnebago County utilize similar but different form contracts.

Certainly these are circumstances where having a lawyer involved early in the transaction would protect the client as well as yourself. Because if the transaction should turn out badly for a client because you and your client did not understand the contract, don't expect a court to listen to excuses such as, "I didn't read the contract!" or "I didn't understand what that meant!" or "there was a verbal agreement to the contrary." In other words, the court will decide your client's controversy by the plain reading of the contract language within the "four corners" of the document.

SHREDDING NOW A REQUIRED LAW

Effective June 1, 2005, a federal rule took effect that requires businesses and individuals to destroy – shred, burn, pulverize – personal information before they trash it. The regulation applies to consumer reports such as credit checks, medical or tenant histories and employee background checks that are gathered on customers or prospective employees. Who has to comply? Everyone from car dealers to lenders to employers in general. This includes individuals who have collected reports on in-home, potential lessees, service providers such as contractors or nannies. The regulation applies only to third-party prepared reports and information derived from them and not to forms, applications and other documents that consumers/employees fill in themselves. For more, see www.ftc.gov/opa/2005/06/disposal.htm.

Information obtained from the Rockford Register Star 6/9/05



...thru the GRAPEVINE

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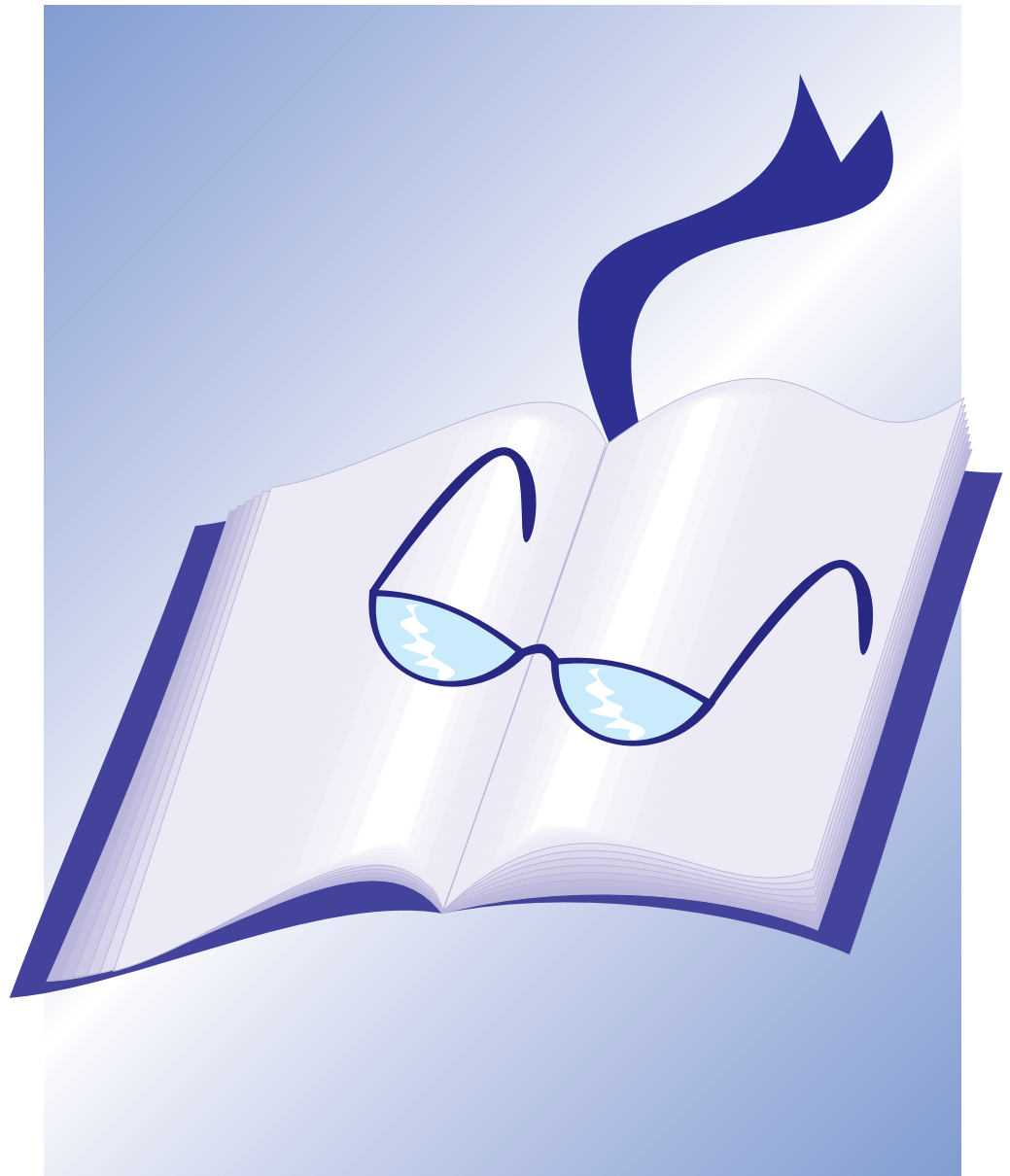
DISCLOSURE OF ANCILLARY SERVICES COMPENSATION

by Steve Bochenek, IAR Legal Counsel

Ancillary business services have become a significant component of some real estate brokerage business models. Two key components of these ancillary business services are title insurance and mortgage brokerage. This article is not a “how to” article but rather it takes a look at the legal requirements in Illinois with regard to disclosure of compensation from those ancillary businesses.

Section 10-10 of the Real Estate License act of 2000 (the “Act”) deals with disclosure of compensation by licensees. Subparagraphs (b) and (c) of Section 10-10 deal with issues related to compensation from ancillary businesses. Subparagraph (b) deals with the situation in which the licensee not only receives compensation as a result of the sale, purchase or lease of real estate for or on behalf of a client, but also receives compensation from third parties. An example of this would be the receipt of compensation by a licensee in a transaction from a title company or mortgage broker in connection with services provided by the licensee ancillary to the transaction. The Act does not provide any specific form for the disclosure but only provides that the licensee disclose “all sources of compensation related to the transaction received by the licensee from a third party.”

Section 1450.185 of the Rules under the Act further describes the disclosure that must be made under Section 10-10 (b) of the Act. The disclosure must be in writing and disclose the compensation the licensee expects to receive or knows the sponsoring broker will receive. Section 1450.185 also provides that referrals to home inspectors or insurance brokers can be subject to the disclosure requirements. The rule also provides that the disclosure must indicate any relationship between the licensee or sponsoring broker and the third party.



Section 10-10 (c) of the Act also deals with disclosure of compensation ancillary to the transaction. However, Section 10-10 (c) deals with referrals to third parties, such as title companies or mortgage brokerage companies, in which the licensee has an ownership or financial interest. The key in determining whether Section 10-10 (c) applies is to analyze whether (1) the licensee has a one percent or greater ownership interest in an entity or (2) the licensee receives dividends or some other type of profit-sharing distribution from the entity. If either one of these is the case and the licensee refers a client to that third party entity for title insurance services, mortgage brokerage services,

or other similar services ancillary to the transaction, then disclosure of these facts must be made to the client at the time of the referral. The Act does not prescribe any particular form for this disclosure. Also, the disclosure does not extend to referrals to publicly held or traded companies.

Although the Act does not dictate the form of disclosure, other statutory or regulatory provisions provide for required disclosure formats. Generally, under the Real Estate Settlement and Procedures Act (RESPA) and its regulations there are required disclosures to be made if referring a party to a real estate transaction to **(continued on next page...)**

KNOW ABOUT THE RESTRICTED ARTICLES WHEN FLYING



No knives of any length, or made from any material, are permitted in the cabin of an aircraft. (Plastic knives are permitted for meal services.) Cutting instruments of every kind are banned, including but not limited to, carpet knives, box cutters, knives with folding or retractable blades (regardless of blade length), steak knives, straight edge razors, ice picks, and metal scissors with pointed tips. Other prohibited items include lighters, baseball bats, golf clubs, pool cues, ski poles, and hockey sticks.

Medically necessary needles and syringes are exempt from these prohibitions if passengers have in their possession prescription medication with a professionally printed label that identifies the medical office, pharmacy, or manufacturer of the medication.

Prohibited Cabin Items

The use of devices that prevent customers from reclining their aircraft seats is prohibited. Engineering test show that these devices can hinder passengers from exiting their seats in an emergency, and can cause damage to tray tables.

Hazardous Materials

Articles listed in the Department of Transportation's Hazardous Material

Regulations and/or the IATA Dangerous Goods Regulations are restricted. These will only be accepted subject to advance arrangements and compliance with regulations.

For safety reasons, dangerous goods may not be packed in checked or carry-on baggage or taken on board with you. Restricted articles include but are not limited to:

- Lighters
- Lighter Fluid
- Acid
- Explosives
- Flammable Solids/Liquids
- Oxidizing Materials
- Corrosive Materials
- Compressed Gases
- Poisons
- Etiologic Agents
- Radioactive Materials
- Irritating or Incapacitating Sprays
- Mercury
- Noxious Materials
- Briefcases and attaché case with installed alarm devices

Information obtained on the United Airlines website. It is recommended that when traveling, check with the airlines that you are flying.

(...continued from previous page)

a third party in which you have an ownership interest for settlement services, such as title insurance or mortgage brokerage services. Similarly, under the Illinois Title Insurance Act there are required disclosures to be made if referring a party to a transaction to a title agent or company in which you have an ownership interest. In fact, there are forms prescribed by the Department of Financial and Professional Regulation on which those disclosures are to be made. The Illinois title insurance disclosure forms are intended to be compliant with the RESPA requirements. Using the RESPA or Illinois formats for disclosure will be satisfactory for purposes of meeting the requirements of Section 10-10 (c) of the Act.

Recently, there were also changes made to the Residential Mortgage License Act requiring the registration of loan originators. If a licensee is receiving compensation from a mortgage broker for services rendered, the licensee also needs to be registered as a loan originator. This is in addition to the disclosure the licensee would make under Section 10-10 (b) of the Act. The mortgage broker is required to disclose in a loan brokerage agreement between the mortgage broker and the potential borrower the name of any loan originator, such as a real estate licensee, assisting in providing services to the borrower for compensation.

This article presumes that the compensation received by the licensee is permissible under RESPA. However, once you have assured yourself that the payments are RESPA compliant, the disclosures discussed in this article need to be made if not already disclosed in conjunction with RESPA requirements.

DR Exclusive, March 2005

IDENTITY THEFT: THE RED FLAG IS UP *What Do You Do?*

Identity theft occurs when someone uses your personal information such as your name, Social Security number, credit card number or other identifying information, without your permission to commit fraud or other crimes.

People whose identities have been stolen can spend months or years - and their hard earned money - cleaning up the mess thieves have made of their good name and credit record. In the meantime, victims may lose job opportunities, be refused loans, education, housing or cars, or even get arrested for crimes they didn't commit.

If you think your identity has been stolen, here's what to do immediately:

Contact your local police to report the crime. Get a copy of the report for further reference.

Contact one of the credit reporting agencies to place a fraud alert on your credit line. They will request that you do so in writing referring to your police case file. Once an alert is placed, you can then order a free copy of your credit report.

Equifax: 800-525-6285,
www.equifax.com, P.O. Box 740241,
Atlanta, GA 30374-0241

Experian: 888-397-3742,
www.experian.com, P.O. Box 2002,
Allen, TX 75013

TransUnion: 800-680-7289,
www.transunion.com,
Fraud Victim Assistance Division,
P.O. Box 6790, Fullerton, CA
92834-6790

Close any accounts that you think may have been tampered with immediately.

Place user passwords on all banking accounts. When establishing these numbers, avoid using your mother's maiden name, your birth date, the last four digits of your social security number or your phone number.

Watch for any missing bills or unexpected credit cards appearing in the mail.

Contact the Federal Trade Commission (FTC) at www.ftc.gov, 877-382-4357, to file a complaint or for more information. They maintain a database of cases for investigations.



CRIME INCREASES AS WARM WEATHER ARRIVES

By Peggy Werner, Gambino-GMAC Real Estate



As temperatures rise, so do some types of crime. People are just more vulnerable as they travel in the summer months, going to unfamiliar places, leaving their houses empty, their cars packed full of stuff, and sometimes just being outside working in their yards and leaving doors and windows opened.

Senior Deputy Donny Parham of the Community Services Division for the Winnebago County Sheriff's Office said the nicer weather just allows criminals to be more mobile, work longer hours, and seek out easy targets. "This is certainly the time of year we see more crime, especially more

car burglaries and more burglaries, in general," he said. The biggest mistake people make is thinking it won't happen to them. But the truth is crime knows no boundaries. "Whether you live in a shack or a mansion, everyone is a potential crime victim."

Mr. Parham offers us these tips to help keep our summer safer:

- Motion detector lights and yard lights help discourage criminals. Darkness is an invitation to a criminal.
- Keep car doors locked and windows rolled up. Most car burglaries happen when cars are parked at home.
- A nicely landscaped yard identifies your property and sets up a mental deterrent for criminals. It is said that bushes with thorny branches help deter those trying to enter through windows.
- Listen to your barking dog. He or she may be trying to tell you something.
- Don't leave valuables in plain sight,

whether they are in your car, house, or garage.

- When away on vacation, use a light timing system to turn lights on and off. Have a friend or neighbor set out your garbage and pick up your mail. Tell your local police department you will be away. They need to know who will be at your house, can drive by to check on your home, and should have a contact number in case of an emergency.
- Participate in the Sheriff's Department's Operation ID, or a similar program, to discourage theft. Homeowners can borrow an engraving tool to mark all their property. Marked property is then easily identified and not accepted by pawnshops.
- Make sure you have good locks on your doors and windows. Both the Sheriff's Department and the Rockford Police will do a home safety check for you. Security doors work well, if locked. A security system is a good idea. Any information or products meant to help you be safer won't work, if you don't use them.

Member Meanderings

AGENTS

New

Hakeem Adewole, Advantage Realtors

Adam Amenta, Prudential Crosby
Nestor Arpeda, C-21 Country North
Lisa Barton, Dickerson & Nieman
Jose Bernachea, C-21 Country North
Bob Bowers, Gambino, GMAC
Robert Braem, C-21 Country North
Isabelle Carr, C-21 Country North
Barbara Case, Whitehead Inc
Rocky Castelli, Re/Max of Forest City
Eric Chilton, Chilton Real Estate
Steve Eisen, Chilton Real Estate
Stan Emery, Prudential Crosby
Aletha Foster, Gambino GMAC
Danielle Hall, Gambino GMAC
Deon Hannah, C-21 Country North
Paul Hare, Five Points
Maria Haun, Whitehead Inc.
Clarence Houde, Gambino GMAC
Elaine Lamendola, Hometown Realtors
Juan Leal, Gambino GMAC
Burke Lynch, Dickerson & Nieman
Mori Jo Meling, Dickerson & Nieman
Andrew Miller, Tom McKiski
David Myers, Larry Mueller Inc
Patricia O'Connor, Prudential Crosby
Lois Ohms, Prudential Crosby
Ernie Pease, Re/Max Area Experts
Viengkeo Phasouk, Midland RE
James Rowe, Whitehead Inc
Heather Severson, Pioneer RE
Pam Singer, Greg Hackman Realtors
Randall Smith, Whitehead Inc
Tracy Suyko, Gambino GMAC
Patricia Tynan, Best Realty
Sharon Westergren, Gambino GMAC

Transfers

Amy Boston, Re/Max Professional Group
Crystal Hendrix, Gambino, GMAC-Roscoe
Patricia Leighty, Buckley R.E. Brokerage
David Withrow, C-21 Country North
Catherine Kolbus, C-21 Everett Johnson
Dan Keegan, Re/Max Property Source
Janet Erdmann, Re/Max Property Source

Ed Hobbs, C-21 Country North-Belvidere

Dropped

Misty Stallings, C-21 Country North
Paul Rupprecht, Meltmar Realtors
Jessica Bolin, Gambino, GMAC-Roscoe
Dotie Sartino, C-21 Country North
Deb Nieman, Re/Max Property Source
Shelly Kanneberg, CB Premier
John Keller, Prudential Crosby Realtors

OFFICES

Name Change

Buckley R.E. Brokerage (Formerly Principal Brokerage Services)

Address Change

Pioneer R.E.
1111. S. Alpine Suite 701
Rockford, IL 61108

Bob Olson Realty
P.O. Box 614
431 A Main Street
Pecatonica, IL 61063

Phone & Zip Code Change

Commercial Property Team
229-8975 61107

Fax Change

Heartland Realty 858-764-2880

MAY MLS Violations

Price increases Violations	18
Miscellaneous	2
Pertinent Facts Violations	2
Grid Violations	5
Virtual Tour	1
Total Fines Assessed	0*

* All violators remedied their individual violations within the specified time frame.

RAAR LIBRARY OFFERS TWO NEW TRAINING TOOLS



REALTORS® Reaching Out to the World Around Us

More and more, the National REALTOR® convention that is held annually in the United States is hosting REALTORS® from around the world. They are coming to establish REALTOR® contacts in this country to do business with. It is becoming more and more important to be knowledgeable of the various cultures that are increasingly migrating to the United States. The National Association of REALTORS® has developed an 80 Minute DVD designed to teach REALTORS® in all market areas how to serve clients and customers from different cultures. This DVD is now available for checkout in your Association library.

Family Time DVD

Family Time is a special gift to families from the NATIONAL ASSOCIATION OF REALTORS®. It is designed to help families find a "house of gold" in their own home. The DVD includes Introduction to the Family Time Program, individual nurturing activities, teamwork and family unity activities, community service activities.

Mark Your Calendars!

Meetings are held at Association offices unless otherwise noted.

July

- 4- Association Offices Closed
- 6- WCR Governing Board 12:00 pm
- 7- HUD Seminars-
AM Session 9:00 am-12:00 pm
PM Session 1:00 pm- 4:00 pm
- 8- Grapevine Committee 12:00 pm
- 18- Annual Play Day- Forest Hills Country Club
- 20- CSI Committee 3:00 pm
- 21- Board of Directors 4:00 pm
- 26- Social Committee 12:00 pm

August

- 2- Volcano Falls Family Day
- 16-18- Indoctrination

September

- 8- General Membership Lunch Meeting- Giovanni's
Guest Speaker: Mayor Larry Morrissey
- 9- CE - Kerry Kidwell
- 14- Cubs Outing-Wrigley Field
1:30 pm- 12:30 am
- 20-22- IAR Convention- Oakbrook Terrace
- 23- Installation Banquet- Cliffbreakers

October

- 6- CE - Kerry Kidwell
- 12- WCR Auction- Sam's Ristorante
- 26-31- NAR Convention-San Francisco

Note: Making note of events on one's calendar does not replace the registration process. Registration forms for all events will be mailed at a later time and must be submitted with payment to reserve a seat.



CHICAGO CUBS
Vs
CINCINNATI REDS

Wednesday, September 14, 2005
7:05 pm
Wrigley Field

TICKETS GO ON SALE AT RAAR
Friday, July 1, 2005- 9:00 am
First Come- First Serve Basis

\$42 per Ticket
(2 Tickets per RAAR Member)
Includes Bus, Tickets, Beverages
& Snacks



Rockford Area Association of REALTORS® May Comparative Sales



	HOUSES AND CONDOS				ALL CLASSES				
	2005	2004	2005 YTD	2004 YTD	2005	2004	2005 YTD	2004 YTD	
Sales	665	623	2492	2507	Sales	742	709	2803	2853
Volume	\$94,999,972	\$78,260,366	\$341,144,602	\$300,694,372	Volume	\$105,670,754	\$85,423,741	381,950,283	\$330,407,308
New Listings	927	902	4170	4135	New Listings	1105	1073	4985	4945
Average Sale	\$142,857	\$125,619	136,896	119,942	Average Sale	\$142,413	\$120,485	136,265	\$115,810
Current Listings	2227	1984			Current Listings	3055	2771		