



SPECIALIST

THE • NEWSLETTER • FOR • CERTIFIED • RESIDENTIAL • SPECIALISTS

Arizona Chapter

Winter 2005

VIEW US IN COLOR ON THE WEB: www.arizonacrs.com

ARIZONA CRS CHAPTER 2005

OFFICERS

PRESIDENT
Benny Zenner 928-779-2100

PRESIDENT- ELECT
Jill Knox 520-577-7433

SECRETARY
Gail Larocca 520-906-2181

TREASURER
Mike Wasmann 623-680-0800

IMMEDIATE PAST PRESIDENT
Paul Pastore 480-603-3800

CHAPTER ADMINISTRATOR
Jeanie Merideth 520-299-6787
Toll free 866-440-9804
Email azcrschapter@aol.com

COMMITTEES

MEMBERSHIP
Sharon Hildebrand 888-574-7213
Paul Pastore 480-603-3800

PROGRAMS TUCSON
Harvey Mordka 520-298-8500

PROGRAMS PHOENIX

PUBLIC RELATIONS/COMMUNICATIONS
Christine Moore 520-419-1896

STRATEGIC PLANNING
Sharon Ellsworth 520-577-3999

EDUCATION
Sarah Frese 520-577-1512
Christine Moore 800-880-9337

CHAPTER WITH A HEART
Sharon Hildebrand-Tucson 888-574-7213
Paul Pastore-Phoenix 480-603-3800

LUNCH RESERVATIONS
TUCSON
Debbie Turner 520-219-8317
PHOENIX
Debi Radden 480-850-3505

LUNCH SPONSORS
TUCSON
Harvey Mordka 520-298-8500
PHOENIX
Paul Pastore 480-603-3800
Jackie Cole 480-892-5300

REGIONAL REPRESENTATIVES
Casa Grande - Patsy Zeitlin 520-836-9494
Chandler - Bill Ryan 480-603-3800
Flagstaff - Gary Nelson 928-556-0009
Glendale - Judy Terrell 602-439-0085
Pinetop - Rich Mullins 928-369-4300
Prescott - Flo Day 928-771-0007
Sedona - Roy Grimm 928-282-2757
Scottsdale - Lucille Fraas 480-661-8900
Tempe - Larry Sunday 480-838-7772
Tucson - Ida Niwinski 520-615-8400



WOW! You're in Real Estate!

The other day I told someone I was a real estate broker. They said, "Wow, that must be great with this market the way it is." They had obviously read a few articles in the newspaper. Not long after that an agent said, "Have you ever seen a market this strange?" My reply was, "No, not in the last twenty seven years in Arizona." So is the market great or strange?

The market in Maricopa county is both. In ARMLS, prices are up 15% from a year ago. Active listings are down 59%. Days on the market are down 37% to 39 days. Many listings have multiple offers in the first few days. Acceleration clauses are necessary to make a favorable impression with sellers. These statistics can be found on the ARMLS splash page.

You may feel like the boxer who was getting pounded in the ring. He came to his corner and his coach said, "You're doing great; go back and finish him off." The boxer said, "Coach, keep an eye on the ref 'cause I feel someone is beating the tar out of me."

Real estate agents are being challenged by an increase in new agents and a decrease in the pressure on commissions. At SEVRAR, the board to which I belong, membership has gone from 2500 members five years ago to about 8500 agents today. That is about a 68% increase each year. That means there are about 4 new agents for every new sale. You can find interesting facts about the market at Realtor.org. (see field guides).

Another recent trend is Realtors doing loans and loan officers doing real estate deals. This trend can be found in a great book called "Real Estate Confronts the Future" by Stephan Swanapole. You can borrow this book from the NAR library. The one stop shopping concept is letting loan brokers use access to MLS as a loss leader to the loan organization profits. This is one reason to keep banks out of the real estate business. The best way to do this is to contribute to RAPAC every year. Do me a favor, if you have not contributed at least \$99 this year to RAPAC, write a check today.

Lastly, don't forget to sign up for CRS Sellabration, February 8th through the 10th in Las Vegas. I have attended every one. The trip to Las Vegas is short and the two days are packed with Howard Brinton's magic.

Have a happy holiday and don't forget the "Reason for the Season."

Sincerely,
Paul Pastore





ARIZONA CRS CHAPTER 2005 OFFICERS



PRESIDENT
Benny Zenner, CRS
928-779-2100
c21benny@aol.com



PRESIDENT- ELECT
Jill Knox, CRS
520-577-7433
jill@jillknox.com



SECRETARY
Gail Larocca, CRS
520-906-2181
glarocca@cbsuccess.com



TREASURER
Mike Wasmann
623-680-0800
HomeAZ@aol.com



**IMMEDIATE PAST
PRESIDENT**
Paul Pastore
480-603-3800
paulpastore@realtor.com



**CHAPTER
ADMINISTRATOR**
Jeanie Merideth
Toll free
866-440-9804
Email
azcrschapter@aol.com

There goes another year almost gone!

It seems time really passes quickly when you're having fun. In my first year as Regional Vice President I have been very busy traveling to Colorado and New Mexico as well as spending time at the Arizona Chapter meetings and events. I have really enjoyed the position and it gives me some insight into the problems and the accomplishments that Chapters have. Most of the problems are similar and one of the biggest challenges is having an event that will benefit the majority of the membership. It seems most Realtors are too busy to attend a meeting or to participate with their local Chapter in an active way, so the Boards of Directors are always trying to figure out what will benefit you the member the most. I encourage all members to answer that question and then let your Officers or Directors know.



Congratulations! Arizona CRS of the Year 2004

Remember that if you don't pay National CRS dues you **can not** use that designation any longer. I would also like to ask you to remember to pay your Chapter dues of \$40 and then get involved. Some of you are probably not aware that the National Council has now set some guidelines and minimum standards that each Chapter must complete in order to keep their status as a Chapter. These standards consist of an annual report to National Council outlining what we are doing to promote the designation and what programs we deliver to our members. Each Chapter must have a business plan along with a budget and a program to enlist new members. I find this very exciting and feel it will give the Chapters accountability to their members as well as a good road map for the benefit of all members.



Sharon Hildebrand
ABR, CRS, GRI
Associate Broker

It has been a pleasure serving this Chapter this year and I will continue on next year as your RVP as this is a two year term. Please feel free to contact me with your questions about the Chapter or if you have any suggestions and I will make sure that they get to the right person.

Best Wishes for great Holidays and a successful 2005!

Sharon L. Ellsworth, ABR, CRB, CRS, GRI
Broker at RE/MAX Catalina Foothills Realty
Tucson, Arizona 800-401-5639 or 577-3999
Email: Sharon.ellsworth@remax.net
RVP for Arizona, Colorado, New Mexico



ARIZONA CRS



Update on Misuse of CRS Designation



Below is an update on the progress and changes that have occurred since the Council has begun actively policing the misuse of the CRS Designation. Please note: The process for policing the Designation changed in January 2002.

FIRST NOTIFICATION

The process begins when the Council receives notification of potential abuse. The member/individual making the complaint (if available) is logged in a separate database maintained by Council Staff. The individual misusing the designation is contacted.

- We talk to him/her and ask them if they were aware they were misusing the designation.
- If he/she is a former member, we encourage them to reinstate.
- If he/she is not a member, we indicate they must cease and desist using the designation. Depending on the nature of the call, we encourage them to join.

They are given approximately 30 days to comply.

Lately, the majority of our complaints on abuse have been regarding websites, so the individual can generally take care of the matter in a couple of days.

SECOND NOTICE (First Written Notification – See Sample Letter Attached)

If the individual does not comply with our request to cease and desist, they are sent a letter advising them of the situation and the consequences of their actions.

We work with the person who sent in the complaint. If the complaint was an ad, we need proof that the individual is continuing to use the CRS on their materials, i.e. a new ad.

They are given approximately 30 days to respond and comply with the letter. A copy of the letter is sent to the State Association, Local Board, Chapter President and Broker.

THIRD NOTICE (Second Phone Call)

If the individual does not comply with the letter, another phone call is made reminding them of the consequences.

They are given approximately 30 days to respond and comply with our request.

FOURTH NOTICE (Second Written Notification – See Sample Letter Attached)

If the individual does not comply with our previous requests (two phone calls and one letter) a second letter is sent.

The individual has approximately 30 days to respond to the second letter.

FURTHER ACTION

If after the two phone calls and letters the individual continues to misuse the Designation, the Council will take steps to initiate a complaint filed with their Local Board for violating NAR's Code of Ethics. The Council will initially work with the individual who reported the misuse. If this individual is unable/unwilling to assist us, we will work with the Chapter to find a member in the local area to file the complaint.

The Chapter will always receive copies of the letters sent to the individuals.

If you have any questions regarding the process or if you know of anyone whom you suspect is misusing the CRS Designation, please contact:

Sharese Simmons (800.462.8841, ext. 4459 or email: ssimmons@crs.com)

Colleen McMahan (800.462.8841, ext. 4442 or email: cmcmahan@crs.com)

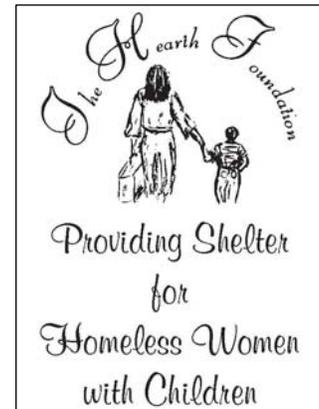
Or fax a copy of the materials to 312.329.8551. Chapter President of CRS Chapter

November 2004

The Hearth Foundation



DID WE SUCCEED?
WE DID INDEED!



Wow! What a wonderful year we are having with The Hearth Foundation and we want to say **THANK YOU!**

The Hearth Foundation is a non-profit and non-sectarian organization, which began in 1987 as a joint project of the Tucson Association of Realtors® and the Arizona Certified Residential Specialists (CRS). The Hearth Foundation has provided shelter for Tucson's homeless women with children while enrolling them in programs offered by New Beginnings for Women & Children. The Common Unity Program, a subsidiary of Our Town Family Services, occupies our eight transitional apartments. These programs give the women opportunities to become permanently independent and self-sufficient. To date we have 13 women and 30 children living in our shelters. Our eight transitional apartments (4-one bedroom and 2-two bedrooms) are completely full to capacity.

Our goals for 2004 were to complete the repairs and maintenance to the shelter, fill the transitional apartments and tear down an existing building. Our restoration has consisted of replacing and repairing all roofing, painting the awnings, installing new signage and fixing the irrigation. More over, we had added new floor covering, complete bathroom tile work, new refrigeration, a dishwasher and several small internal maintenance repairs. We installed new fencing on the entire property, painted the storage facility, and are currently working on a playground for the children. Our biggest project was to tear down and existing building that was beyond remodeling/repair. **WE DID THAT TOO!**

Our **FINEST** accomplishment this year is the unified bond and relationship we have developed with New Beginnings for Women & Children and the Common Unity Program.

We will finish the year with our last fundraising project to: 1) accumulate monies to put toward a new building with more rooms for the homeless women with children and 2) build a community/laundry facility for the women to meet and the children to do homework or art projects.

Lastly, I would like take the opportunity to invite all of you to our Founders Day Award luncheon on January 20, 2005 at 11:30 am at Skyline Country Club. Please mark your calendars now! Watch for your invitation in the mail.

On behalf of myself, the dedicated members of The Hearth Foundation and the homeless women with children whom we serve, **THANK YOU** from the bottom of our hearts!

Sincerely,

Ronda Karolzak

Ronda Karolzak, 2004 President
Fidelity National Title Agency, Inc.
7750 E. Broadway Blvd., Ste. 200
Tucson, AZ 85710
Office: (520) 290-6227
rkarolzak@fnf.com

Pre-qual vs Pre-Approval vs Full Approval...

Where does the buyer stand ?



BILL SWAIN

As an agent it is VERY important to know where the buyer stands regarding loan approval, whether you are the listing or selling agent. Everyone has heard horror stories about buyers being denied at the 11th hour, well after a pre-approval letter has gone out. It is smart to know the lenders approval system and sometimes the agent's involvement and knowledge can make the difference between making the closing date and losing the sale. Below are the three designations for the home buyers loan status, ranked in order of importance via a creditability scale from 1-10 (1 being least worthy, 10 being most worthy):

A **PRE QUALIFICATION** is generally an opinion based on verbal information from the buyer. Information about their job history, income, and assets are asked by the lender and credit may or may not be pulled. This information is useful but should not be relied on for taking a house off the market ! **Credibility scale: 3**

A **PRE APPROVAL** goes to the next level. The Arizona Association of Realtors recognizes the "CLA" (conditional loan approval) as a valuable tool for the buyer's attempt to secure financing. Remember that the "CLA" does not usually cover anything above and beyond the buyer's personal ability to get the mortgage, i.e., the title commitment and appraisal are not covered. Because lenders may take a few weeks to gather and validate information after the 'CLA' is sent out, it is not a foolproof document. **Credibility scale: 7**

A **FULL APPROVAL** is where the buck stops! No questions about the buyer's ability to get the loan exist, including a valid appraisal and title report. You should be ready to coast into closing and forget your problems! Don't forget to ask the lender how they fund the loan, i.e., do they wait until the docs are reviewed (possibly in another state) before funding ? To ensure the loan records on the proper date, this information must be known between all parties. **Credibility scale: 10**

Regardless of which stage of approval you are in, communication between all interested parties is critical. Does the escrow officer know which lender is processing the loan? Does the lender know that there has been an updated price change? Also, the appraisal monies must be received by the lender within 5 days of acceptance of the offer. Sometimes lenders may not see this as a critical step thus the agent needs to communicate quickly with the lender and client. A pre approval or full approval is no guarantee of an on time closing unless all parties communicate with one another.

If you keep track of the above items you can take control of your transaction, instead of the transaction controlling you!!



HomeOne Mortgage Services



STEVE INEICH

Mortgage Consultant

1007 E. Warner Road, #101

Tempe, Arizona 85284

The question that Real Estate Agents are asking lately is "How does "Flipping" properties effect my clients, and my business in today's market? Many of you may have experienced the increase in the Investment market since the beginning of the year. As of mid October, most New Home Builders have imposed an "Occupancy Affidavit" for buyers to sign, stating that they will occupy the property as a Primary Residence for a minimum of twelve months from the Close of Escrow. This is mainly due to Fannie Mae's minimum criteria for Owner Occupied Residence's in a Subdivision. In September, a survey showed that at least 30% of the Real Estate Market in Maricopa County was Investor owned.

As far as the "resale" market is concerned, most Conventional Underwriting has been more concerned with the "Flipping" of properties due to the Appreciation effects. As Real Estate Professionals, we've all experienced the appreciation of late, it is a sellers market at present and we educate our clients as to what it means to them in the hear and now. A number of lenders have implemented a "six months seasoning" requirement on Deeds of Trust, some as much as a "twelve month seasoning". This means that anyone selling Real Property must hold Title for a six month period of time before that property can be Conventionally Financed by anyone looking to purchase that particular property. Now there are lenders approving financing where there is 20% down payment or better. In those cases the appraisal is imperative to reflect reasonable comparisons. Unless the seller has documented proof of upgrades or improvements (non cosmetic) that have been made to the property, the value can very well be cut by the lender. This is typically documented by the Appraiser.

On June 2nd, 2003 the Department of Housing and Urban Development amended a "Final Rule" addressing "Flipping", establishing certain new requirements regarding the "eligibility" of properties to be financed with FHA mortgage insurance. The Final Rule follows publication of a September 5th, 2001 Proposed Rule. (24 CFR Part 203 [Doc. No. FR-4615-F-02} RIN 2502-AH57) For further information visit www.hud.gov , in the search box type in "Anti Flipping".

In short, it is always been my practice to be proactive when consulting clients to make them aware of possible hic-ups when financing Real Estate Transactions.

Schedule Your 2005 Classes Now! ~ "Knowledge Is Power"

The Arizona CRS Chapter has six CRS courses TENTATIVELY scheduled for 2005.

We look forward to welcoming you to a 2005 class!

- **March 17-18, 2005 ~ Scottsdale, AZ**
CRS 202 "Effective Buyer Sales Strategies"
- **June 9-10, 2005 ~ Scottsdale, AZ**
CRS 200 "Business Planning and Marketing for the Residential Specialist"
- **July 29, 2005 ~ Prescott**
NEW CLASS: "Personal Assistant-Finding, Hiring, Training"
- **September 7, 2005 ~ Tucson, AZ**
CRS 150 "Ninja Selling"
- **September 8-9, 2005 ~ Tucson, AZ**
CRS 201 "Listing Strategies for the Residential Specialist"
- **October 20-21, 2005 ~ Scottsdale, AZ**
CRS 210 "Building an Exceptional Customer Service Referral Business"

More one-day classes will be scheduled during 2005.

If you would like to be included on a special preregistration mailing list to have a better opportunity to enroll in any of these classes, please contact:

SARAH FRESE, CIPS, CRS

Fax: (520) 577-1654 Email: sarah@sarahfrese.com

"Experiencing CRS is a lot like having the electrical system to your brain switched on for the first time. The knowledge and energy of the instructor is exciting and inspiring!"

Brad Brauer, ABR, e-PRO, GRI
Realty Executives, Phoenix, AZ

Happy New Year!



RETURN SERVICE REQUESTED

Arizona CRS Chapter
Jeanie Merideth, Chapter Administrator
PMB #139, 3305 N. Swan Rd., #109
Tucson, Arizona 85712



PRSRT STD
U.S. Postage
PAID
Tucson, AZ
Permit #820