

STONE REPORT

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Dear MCAR GAD,

Welcome to the "Stone Report", a publication brought to you by the Government & Community Affairs Department of the Monterey County Association of REALTORS®

C.A.R.'s Joel Singer Presents on CA's Market

C.A.R Executive Vice President Joel Singer presented on the state of the California Real Estate Market at MCAR's April Brokers Lunch at Corral de Tierra.

Mr. Singer's presentation highlights a number of national, statewide and local real estate issues that are shaping the dynamic market environment of today.

For those looking for a resource on what is currently happening in the industry and what things we might expect in the future, Joel's presentation is a must read and is available for download [here](#).

C.A.R. Reaches Compromise on AB 957

C.A.R. achieved a compromise in AB 957, "Choice of Escrow Bill." In multiple discussions with the author, C.A.R. worked with Assemblywoman Galgiani to come up with compromise language that will require fair treatment for real estate owned (REO) buyers in the choice of title and escrow providers.

The new language now protects fair negotiation over settlement services, and has removed C.A.R.'s opposition.

The new language will codify in California law the federal RESPA rules for selection of title insurance, and extend the same rules to protect buyers in the selection of escrow services. In a nutshell, the sellers will have to negotiate the selection of title and escrow. Under the new language, if an REO seller wants to try and direct choice of escrow, the seller will have to pay for the privilege.

AB 957 will also impose new penalties on REO sellers that violate the law, and will empower state regulators to go after both RESPA and "steering" violations.

State Policy Update

AB 758 (Skinner and Bass) Energy Audit - AB 758 is a reintroduction of AB 2678 (Nunez), the home energy audit and retrofit bill from 2008 which C.A.R. successfully had amended to remove the point-of-sale requirement.

This new bill includes language that ensures the home energy audits or improvements are not required as a condition of sale. C.A.R. is continuing to work with the author and sponsors to identify alternative triggering events to point of sale that will create an effective and efficient statewide audit and retrofit program. C.A.R. supports AB 758 because it will create a comprehensive statewide campaign of flexible cost-effective energy efficiency improvements for existing buildings. AB

758 was approved by the Assembly Utilities and Commerce Committee on April 20.

AB 764 (Nava) Real Estate Brokers - Existing law prohibits the taking of an advance fee by a real estate broker unless the licensee's contract has been reviewed and pre-approved by the Department of Real Estate (DRE). AB 764 would impose a complete prohibition on the taking of an advance fee when modifying or arranging a loan. C.A.R. will oppose AB 764 until it is amended to include an exception for DRE approved fee contracts. AB 764 is scheduled to be heard by the Assembly Business and Professions Committee on April 28.

UPDATE**

AB 764 passed on a 6-3 vote and was re-referred to the Committee on Appropriations.

AB 1171 (Ammiano) Tenant Notice Requirement - The "Ellis Act" requires rental property owners in rent controlled jurisdictions to provide tenants with a 120-day notice of termination of tenancy when removing residential rental property from the rental market. Tenants who are either disabled or are senior citizens, defined as 62 years of age or older, are entitled to a notice of one year. AB 1171 was amended this week to require landlords electing to "go out of business" to give all tenants a one-year notice of termination of tenancy if even one disabled or senior citizen resides in the units of their rental property. C.A.R.

strongly opposes AB 1171 because it discourages investment in rental housing by placing a substantial limitation on a property owner's right to legitimately take a property off the rental market, thus negatively affecting property values. AB 1171 is scheduled to be heard by the Assembly Housing and Community Development Committee on April 29.

UPDATE**

Hearing was canceled at the request of the author.

SB 407 (Padilla) Point-of-Sale Plumbing Fixture Replacement - C.A.R. is opposing SB 407 (Padilla), a bill that would require that properties be retrofitted at point-of-sale with low-flow toilets, shower heads and faucets.. The bill applies to any residential or commercial property transaction completed after January 1, 2014, and exempts properties when a licensed plumber certifies that the water efficiency upgrades are not feasible. SB 407 also requires that real estate licensees representing both the buyer and the seller in the transaction disclose the retrofit requirement to the seller and purchaser. While C.A.R. appreciates the goal of conserving water, C.A.R. opposes SB 407 because it will not achieve the objective of significantly reducing water consumption in the next ten years and because it could further destabilize the already weak housing market.

UPDATE**

Set for hearing today (5-5-09)

Until next time,

Kevin Stone
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Monterey County Association of REALTORS®